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BAHR SPEAKS ON SECURITY, THEATER FORCES, SALT II

Frankfurt/Main FRANKFURTER RUNDSCHAU in German 27 Oct 79 p 14

[Excerpt from speech by SPD Federal Executive Director Egon Bahr to the Schleswig-Holstein SPD Land Party Congress: "The Temptation To Turn the Armament Screw"]

[Excerpt] Soviet Defense Minister Dmitry Ustinov recently threatened "countermeasures" in the event that new guided missiles are stationed in Western Europe. At the same time he announced that head of state Leonid Brezhnev's promised withdrawal of 20,000 Soviet soldiers and 1,000 tanks from the GDR would take place. This proposal, put forth as a contribution to disarmament, is a subject of critical discussion in the FRG as well as elsewhere. SPD Executive Director Egon Bahr has come out in favor of a serious examination of the offer. Bahr emphasized in his speech on security policy during the SPD Party Congress in Schleswig-Holstein that "in view of enormous forces of destruction," there was no other alternative but to move away from "security through deterrence to security through cooperation." We present a slightly condensed version of his speech.

III. New developments are under way which will jeopardize German security in the 1980's. Involved here are new weapons systems, the slowing down of the process of detente, the dragging pace of the Vienna negotiations, the uncertain fate of SALT II, the unchecked Soviet arms buildup insofar as not affected by SALT II and other foreign policy developments which I do not intend to discuss here. These factors pose the following question for us: What can be done to avert or reduce the hazards in order to obtain a more secure peace for the future as well?

In his first government policy statement (28 October 1969), Willy Brandt spoke of both aspects of security policy: arms control and arms limitation on the one hand and adequate defense on the other. "From both aspects the FRG government conceives its security policy as one of equilibrium and the

assurance of peace." Events since then have shown that we have consistently pursued this policy up to the present day. The Federal Armed Forces have grown stronger, their development has clearly been oriented toward defensive objectives and their importance to the alliance in this regard is greater than it was 10 years ago. At the same time we have been developing the other aspect of assuring peace via a series of bilateral treaties with the states of Eastern Europe and the GDR; the German word for this policy, "Ostpolitik," has meanwhile been adopted by many foreign languages.

The time has come to establish that up to this point no one in the world can offer any better prospects for the future. But self-awareness is also needed because discussion of late could create the impression that all that is needed for our security is to make a few armament or defense efforts. This is not only erroneous but dangerous. It is dangerous because it stimulates the illusion that arms and technology and money could achieve for us the peace which is more than the absence of war; dangerous also because of course the other side as well would prove its ability to crank up the arms spiral as it has done thus far; dangerous because distrust will be heightened on both sides and vagaries increased; and finally, dangerous because alliance and defense capabilities appear as ends in themselves, while in reality they are merely means to an end. In other words, they are instruments and must remain so (Adenauer once put this latter thought into words; anyone in the CDU daring to express it today would probably be risking expulsion.)

It would of course be just as dangerous if one were to neglect the military aspect of equilibrium, especially since others are not. The road to a secure peace under a single European roof is long. We must set out upon it on both feet, and no one who limps on one leg or the other will arrive at this house. Very early on, the Social Democrats perceived that detente cannot function if it disregards the military sector, and not only because arms limitation is cheaper or because it obviates new weapons systems or makes them more calculable, but chiefly because our detente policy will stand or fall on this essential point: The European nations have only one security, and it is their joint security. They are therefore partners in security, and a partnership can be developed and can function only through joint action; in other words, agreements which create trust, which make it possible for one to reliably assess the other. It is the task of detente policy to develop common interests in increasingly broader fields. And since the greatest threat today comes from the military sector, we must concentrate on this area. If we should fail here, there would only be a reversion to dangerous tensions; if all goes well, it will be because the dangers are too great for us to push confrontation to the limit because the alternative of suicide is unacceptable.

The Soviet Union's attitude in this area is different from that in the debate on the neutron bomb. My position on this weapon is well known; it has not changed. I shall be able to tell the Berlin Party Congress that I can keep my promise given at the Hamburg congress. I was and still am of the opinion (with the chancellor and against the opposition, by the

way; who would be surprised at that?) that President Carter made the right decision to halt production of the weapon and to let himself be influenced by the corresponding Soviet position. This decision prevented a new turn of the armament screw. Moreover, our security has suffered not in the least from this action. One might say that the American president made a concession which Brezhnev honored by declaring that he would similarly prohibit the construction of weapons like these, which could of course also be dangerous offensive weapons against us.

As far as scientific and production capabilities are concerned, American data indicate that the Soviet Union is only 5 to 6 months behind the Western level. One can only welcome this development from the standpoint of FRG interests, from the standpoint of European security interests. But the question is : Why does the Soviet Union not do the same? Why does it not also offer the concession of halting production on the SS-20 and negotiating on this basis? As long as it fails to do this, it cannot be surprised that the West at least wants to negotiate on the basis of its own production decision. In an interesting article and subsequent interview, the former Soviet ambassador in Bonn, Valentin Palin, has declared the Soviet Union's willingness to negotiate. This is fine, but not binding. Lacking is the official willingness of the Soviet Union to enter into negotiations on these questions.

But we, here in the middle of Europe, of course perceive the tendency of both superpowers to cover their territories through agreements. We want agreements of corresponding impact for our territory as well. In Kissinger's aforementioned speech he voiced the conjecture -- which he himself described as tactless -- that it was the secret fancy of every European to of course prevent a nuclear war, but if it should come to this, that it would be waged above their heads by the strategic forces of the United States and the Soviet Union alone. Henry is right. I should like to be equally tactful and offer the conjecture that it is the secret fancy of many Americans and Russians to of course prevent a nuclear war, but if it should indeed happen, to be able to confine it to Europe alone, sparing the sacred territories of the two superpowers. The legitimate efforts of both superpowers in this direction over the past 15 years support this view.

Against this background I should like to make a few remarks on the debate over the production and stationing in the FRG of new American weapons, some of them missiles, some of them ground-launched cruise missiles. My point of reference is that today we have a strategic balance between East and West. By the way, this is also the view of the FRG chancellor, the FRG defense minister, the French foreign minister and others. What we are discussing is the problem that continuing production of a Soviet SS-20 medium-range missile and a type of bomber in the years ahead up until the mid-1980's would produce a Soviet superiority in this area which would upset the balance and could make us susceptible to political pressures. The "us" of course does not refer to the FRG or Europe. Anyone who argues along these lines is anticipating the disengagement of America. We recognized this situation

some time ago. It becomes acute only at the point when America's present capacity to neutralize these kinds of Soviet weapons through the use of its own intercontinental systems is theoretically ended by SALT II (something which hopefully will never happen in practice, so we will not go into that). This means first of all that there is no urgency to the problem if the United States fails to ratify SALT II. There will be no need for a NATO decision in December if Congress refuses to approve SALT II for the American president.

Only thereafter and with SALT II will full weight be given to the deliberations during Brezhnev's visit to Bonn last May which led to the arrangement on including in agreements all types of weapons in the so-called gray area; in other words, those which are not being negotiated either at international levels or in Vienna. This arrangement is designed to realize the idea of an approximate balance in this sector as well. This is a German idea; it is in line with European interests. The fact that the Soviet Union has accepted it constitutes a success for the policy of detente. In the present situation we must concentrate our efforts on taking the Soviet Union at its word on this point, which means that we need negotiations.

As the result of truly long, painstaking and intensive discussions, we have formulated our policy for the Berlin Party Congress in the executive board's platform on security policy: ... "to give political priority to arms control policy arrangements in order thus to eliminate instabilities" (instabilities are the disparities in nuclear medium-range potentials);

... "to determine at the same time the necessary defense policy options, so that these can be used in the event of a failure of efforts in the realm of arms control policy."

In other words, a resolutory condition is expressed here which in my opinion is the result of incontrovertible logic. If the efforts of 4 years are successful, East and West will proceed in the way they have resolved. If these efforts fail, the weapons that have been produced will be introduced and stationed in order to neutralize any Soviet superiority that may have developed up to that point. Incidentally, they will be stationed only with American troops, not German ones, and not only in the FRG. The aim is thus not to station these weapons but to arrive at an agreement which permits us to avoid it.

Without this clearly resolutory condition there must be no German approval of a NATO resolution. A great deal hinges upon the condition that the Soviet Union does not make a faulty assessment of this opportunity to continue the policy of detente instead of taking advantage of it. This position creates no improper pressure, only the constructive pressure for success in arriving at a result within 4 years. This can be achieved if the principals sit down together over SALT III as soon as possible and concentrate on Eurostrategic systems.

The overall strategic balance between East and West will certainly enter into these negotiations. It is also certain that this could establish for the first time in the center of Europe land-based systems capable of reaching the territory of the Soviet Union. We are witnesses to the sensitivity of the United States' reaction to the 2,000 to 3,000 Soviet soldiers who are in Cuba and who have no weapons capable of reaching American territory. Granted the impossibility of a comparison, one can imagine how the Soviet Union feels, even though the concern here is a situation that was created by its own decisions. The only answer in this situation can be to negotiate on a subject that more than many others is jeopardizing the policy of detente, development and shared security interests, and to enter into negotiations as quickly as possible in which all the cards are laid on the table -- as with SALT II -- in order to arrive at a result which safeguards the legitimate security interests of both sides.

IV. The GDR is now celebrating its 30th anniversary. The German division is the result of German wrongdoing. The fact that it has been of such long duration and has gone so deep is the result of the interests of power politics as well as the ideological differences between East and West, with neither side free of error. The greatest disappointment of postwar German history was the false hope aroused by Adenauer; namely, that a policy of strength would force the Soviet Union to give up the [East] zone. The fact that the Social Democrats were correct in their warnings at the time is a bitter one merely because we had to build on the rubble of an shortsive Germany policy. We finally rid ourselves of illusions and acknowledged reality after the GDR had already been a state for 20 years. Only in this way was it possible to ease the situation for many people.

We wanted to organize coexistence so that we could arrive at a mutual existence. The first effort was accomplished; the second became bogged down in its early stages. The arrangement made in 1979 after conclusion of the Basic Treaty, whereby the two governments were to consult on questions of mutual interest -- particularly those involving the assurance of peace -- has virtually never been in effect. This is attributable in part to the GDR, to its alleged and real difficulties and our reaction to these problems, and in part to adverse international developments. It can be said today that it is time to forget about this and concentrate on two points that are important for the future:

1. We are going to have to work with the GDR for an unforeseeable period of time;
2. The two German states ought to understand their growing responsibility for security in Europe as exemplary.

The community of interests is incontrovertible on one point: We shall experience peace together or be destroyed together. There is no division of the German risk in the event of a conflict. And since both German states want to be and must remain loyal partners within their alliances, agreements

between them along the lines of the Helsinki Final Act have significance for all of Europe.

The SPD has every reason to continue with its consistent policy toward the GDR, no matter how difficult the GDR makes this at times, and to see to it that the GDR does not evade its responsibility to Europe on the pretext that the FRG is leaning toward the right. One can get the impression that there are those in the GDR who would like to conjure up Strauss in order to preserve the division, in order to have an uncomfortable existence which in the interests of detente and of Europe cannot be comfortable.

Security is indivisible; this holds true for North and South and our active role; it holds true for East and West and our active role. The arms race must not be carried over to Europe. It holds true for our relationship to the GDR and in a broader sense as well.

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CSO: 3103

SALT II ACCORD CALLED 'RIGGED'

Paris LE FIGARO in French 21 Sep 79 p 2

[Article by Pierre Darcourt: "SALT II Is a Rigged Accord"]

[Text] Now that the presidential campaign has opened in the United States, we must resign ourselves to sensational disclosures in the coming weeks, disclosures of a "confidential" or technical nature released by campaign staffs of the two major parties in the race.

President Carter's foreign and domestic policies are already being critically scrutinized. The big guns of the Republican Party, Henry Kissinger, General Haig, and Senator Goldwater, have fired the first shots and the incumbent president's supporters, not wishing to lag behind, have stepped up the tempo of the debate.

The more glaring failures of the Carter administration include the "belated" discovery of a Soviet brigade in Cuba, thereby further underscoring the shortcomings of the CIA (severely jolted by politicians these past few years), the energy crisis, zooming inflation, and the uncontrollable proliferation of a ravenous bureaucracy. To offset his inability to solve these problems, the President hopes, nevertheless, to be able to face the mass of American voters with a major achievement accomplished after lengthy and difficult negotiations with the Soviets, namely a SALT II treaty ratified by the Senate and initialed by Moscow and Washington. A strategic modus vivendi covering the next 5 years and based on real control of mass destruction weapons. A guarantee of peace for which he could claim credit.

The U.S. Senate's recent decision to defer examination and ratification of SALT II was due neither to any partisan reaction nor to political speculations related to the presidential election. This warning shot fired before resumption of debate on the treaty actually reflects the misgivings of politicians and military circles about the inadequacy of the guarantees contained in this agreement, and about the "fuzziness" that characterizes certain aspects of the treaty. This deferral of debate marks the new intransigence of American legislators on anything relevant to the security and defense of the United States, the two pillars of which are peaceful coexistence and the East-West nuclear balance.

By abandoning the Kissinger doctrine of always linking the SALT accords to a stubborn policy of detente, the Carter administration deprived itself of the capability of conducting any "hard" bargaining with Moscow. The consequences of this "decoupling" are obvious. Failing to have taken a tougher stand in the SALT negotiations with each aggressive thrust by the Soviets, the United States continued to lose ground in all the "hot spots" (Iran, Africa, Afghanistan). The frenzied agitation of Fidel Castro, emboldened by repeated military successes, has taken a more directly aggressive turn in South America and could ultimately pose a serious threat to Mexico, an immense oil reservoir adjacent to the United States.

Irresponsible Attitude

Despite the unrest and the risks involved, President Carter stubbornly continues, nevertheless, to maintain an irresponsible attitude, inasmuch as he has once again dissociated the SALT II debate from the Cuban issue. Nobody across the Atlantic would deny that the SALT II treaty marks a step forward in the process of exchanging military information between the two superpowers desirous of setting a limit, even a rough limit, on the inordinately burdensome and increasingly sophisticated arms race they have been engaged in for some 20 years.

But in the view of American and foreign experts, the balanced count of ICBM's, SLBM's, and ASBM's--esoteric acronyms drawn from the jargon of technicians--appears to be a "rigged count" designed primarily to reassure public opinion (total strategic vehicles are limited to 2,400 through 1 January 1981 when the number drops to 2,250).

SALT II's conceited list of weapons dodges or remains strangely silent on the following five technical points of capital importance:

1. The Backfire is considered by the American and Soviet negotiators to be a medium bomber, providing the missiles it carries have their range limited to 600 kilometers. But it is actually a formidable strategic long-range penetration aircraft. From forward bases, it would have no real difficulty reaching such cities as Rochester, New York, Pittsburgh, Little Rock, or El Paso. With air refueling and armed with AS-6 missiles, it has even greater capabilities and these missiles could strike such distant and critical targets as Washington, Chicago or Cleveland.

Lastly, and above all, U.S. Air Force specialists point out that the Backfire employed in a second strike role would give the coup de grace to targets previously damaged but not completely destroyed (ICBM silos and underground command posts). The Soviets have some 100 aircraft of this type and will have twice that many by 1982.

2. The ban on deployment of "rapid reloading" systems in ICBM silos was not even mentioned. This ban would, of course, have disadvantaged solely the Soviets who use a cold launch for some 330 SS-17 and SS-18 missiles. The warheads of these missiles vary from 20 to 25 megatons compared with

the 1-megaton warhead for our new S-3 missiles being installed on the Albion Plateau.

To grasp the importance of this cold-launch method, a few words of explanation are necessary. With the hot-launch method--used by the U.S.A.--the missile is ignited while it is still in the silo. The very high combustion temperatures--more than 3,000 degrees--damage the launch facilities to such an extent that it may take several days to restore them to serviceable condition allowing a second missile to be launched. This serious disadvantage is eliminated in the cold-launch method based on the technique used by strategic submarines. Ejected from the tube by compressed air, the missile is ignited only when it reaches an altitude of some 30 meters, and does not, therefore, damage launching equipment.

The Soviets have converted and improved the cold-launch method for use with land-based missiles. This has enabled them to install a rapid reloading "barrel" system underground so that military observation satellites are unable to determine the exact number of missiles stored around each silo.

3. No ceiling was placed on SLBM's (Submarine-Launched Ballistic Missiles), the absence of any ceiling on this category of weapons does not bar the Soviets from replacing their present missiles with MIRVed SLBM's carrying 14 warheads, nor on the construction of new generations of submarines. This intentional omission is advantageous to the Soviets who have approved a weapons development program for their strategic submarine fleet comparable to the effort made these past few years in developing their land-based ICBM's.

4. Furthermore, no article in the SALT agreements indicates any mutual desire of the two parties to curb development of surface-to-air missiles. In this category, there is a definite imbalance in favor of the Soviets. The increased number of such missiles plus the Soviet effort to improve them constitute a means of circumventing the nonproliferation of anti-ballistic missile sites approved in Vladivostok in 1974 and could, within a short period of time, give the Soviets the capability of neutralizing American strategic nuclear missiles.

5. Lastly, the agreements make no reference to a subject that is relevant to the very foundation of deterrence, namely civil defense measures. The magnitude of the Soviet civil defense program is liable to place the United States in a serious position of inferiority within the next few years.

The American MAD (mutual assured destruction) strategy rests on a tacit agreement whereby the U.S.A. and the USSR accept the assignment of a hostage status to their respective populations. In plain language, each of the opposing blocs would have to hesitate before unleashing, without warning, a nuclear salvo, knowing that, in immediate response thereto, it would expose its population to massive nuclear retaliation.

The credibility of the American "nuclear balance" doctrine rests on two main supports: a counterforce capability directed exclusively against carefully selected military targets, and secondarily a "city-busting" nuclear strike capability directed against large urban and industrial centers. Should one of these two pillars break down because the enemy had found a way to counter it, then the entire carefully erected structure of deterrence would collapse. Some 2 years ago, the Soviets had already hardened their defense and provided all their airfields with duplicate underground facilities. Immense tunnels and shelters are now being completed and these could accommodate the civilian population of the largest cities in a matter of minutes.

After a series of delaying actions, the U.S. Senate will no doubt ratify SALT II, laxly conceding that a rough agreement is better than no agreement at all.

Political Weakness

The offer of a truce in the arms race cannot be refused. But Americans and their Western allies cannot help but fear that during this truce Washington may place exaggerated confidence in the lasting character of its effects and thus naively conclude that SALT II is a sort of stoppage capable of jamming the powerful Soviet war machine for a very long time. The superiority in manpower and equipment of the Red Army and its Warsaw Pact satellites over member nations of the Atlantic Alliance is overwhelming. The determination of Soviet leaders has been proved time and again.

America maintains a constant technological advance in its laboratories, computers, and weapon systems. But it is still deeply confused by the enormous defeat it suffered in Vietnam, the traumatic memories of which have not been blotted out. America's prodigious scientific and human reserves enabled it, in spite of the USSR's 5-year lead in the space race, to overtake the Soviets, reach the moon, have astronauts walk on it, bring them home without a hitch, and finish the program, whereas not a single Soviet cosmonaut has ever trod the lunar surface, whereas the USSR's spacecraft and their crews continue to orbit some 4,000 kilometers from earth and 296,000 kilometers from the moon!

America's main weakness today is due solely to the erosion of its political decision-making capability.

8041

CSO: 3100

RPR DEPUTY ATTACKS CONTENTS OF BREZHNEV'S 6 OCTOBER SPEECH

Paris LE FIGARO in French 30 Oct 79 p 6

Article by Jean de Lipkowsky

Text Moscow has recently taken an ambitious diplomatic initiative directed toward Western Europe, trying to persuade the European members of the Atlantic Alliance to refuse the deployment of new American nuclear weapons on their soil.

In December, NATO will have to decide whether or not to deploy American intermediate-range ballistic missiles in Europe. These weapons, Pershing II and Cruise, are indispensable to balance the Soviet SS20 missiles now directed at Europe. These weapons, reinforced by the Backfire bomber, insure the USSR of a decisive advantage over the NATO countries.

The three-headed Soviet nuclear missiles are mobile, and so redoubtably accurate that, in several years, they will be able to destroy NATO military installations with one or two salvos.

Anxious not to lose such a formidable advantage, Brezhnev is trying to keep Western Europe from deploying the same kinds of weapons. In exchange, he has offered to negotiate a general reduction of arms in Europe which could, for example, begin with the pullout of 1,000 tanks and 70,000 Soviet soldiers from the FRG.

These proposals seem directed toward NATO, not France. We are not members of the Atlantic Pact military organization. For us, there is no question of allowing foreign weapons on our soil, no matter which country they come from.

The matter of the Pershing II and Cruise missiles does not, therefore, concern us. The Russians are well aware of this, but their offensive still seems to have France as a target. In fact, Moscow appears to want to draw us into two negotiations, in which it is essential for us to avoid involvement.

The first, known as the MBFR (Mutual and Balanced Force Reductions) negotiations, concern a reduction in conventional weapons. They have been

dragging on for 11 years now in Vienna with no results. But we refuse to enter into these bloc negotiations, characterized by direct, exclusive bargaining between Washington and Moscow.

We prefer, as in the French plan, to negotiate with the largest possible number of participants--including the entire European theater, from the Atlantic to the Urals--not with just a limited area.

But that is not the important point. The main thing is that the USSR gives all appearances of wanting us to participate in Salt III. Once the Salt II agreement between the Americans and Russians, concerning the limitation of strategic missiles, is ratified, a Salt III conference is planned. It would concern the limitation and control of "theater" nuclear weapons--that is to say, atomic weapons of this type situated in Europe.

To participate in these negotiations would amount to letting French nuclear weapons, which should be under our control, slip under the control of the two superpowers. No French government worth its salt would accept any sort of foreign control of our nuclear forces. Jean-Francois Poncet made this very explicit in Warsaw. And the president of the republic was quite clear on this position.

Actually, everything would seem to indicate that the USSR has seriously modified its policy toward France.

Up to now, the Russians and their East European allies were careful to express their satisfaction with our policy of national independence, especially in the military area.

Anything which suggested a rapprochement between France and NATO caused furrowed brows and expressions of concern. But the Russians no longer seem worried about having France maintain its independent position within the alliance. On the contrary, they seem content to see it rejoin the ranks. Rather than have a France whose independence is based mainly on its own national deterrent forces, they would prefer to see the French forces once again incorporated, one way or another, into NATO--especially since this organization is being pushed toward a controlled reduction of its conventional and atomic weapons.

The Russians are not the only ones to want our nuclear weapons to come under the control of the Western forces. Washington, although for different reasons, would not look unkindly at the tutelage of our nuclear forces, whose independence constitutes an "element of uncertainty" not only for Eastern Europe, but also for the alliance.

Faced with pressure from both sides, the French Government will need unflagging determination to maintain our liberty of action. Theoretically, the president of the republic should be able to count on a broad national consensus to support him in his position. Now is the time to prove that the nation is unanimous in wishing to remain master of its own fate in this

vital area. We would thus be in a better position to show the Russians the vanity of their hope that we would agree to compromises adversely affecting this national independence, thanks to which they have in France a responsible partner, and one who is able to act freely. France has used this freedom to open the road to detente, entente and cooperation.

Why, then, is it that the leaders of the French Communist Party refuse to join in such a consensus?

Marchais, so quick to denounce our policy as aligned too closely with American policy, now praises such an alignment.

In perfect ideological osmosis with the USSR, the PCF has adopted an argument which is strangely like that of the Russians. The disarmament policy advocated by Marchais is a twin to the one drawn up in the Kremlin. Nothing is missing. Like Brezhnev, Marchais is against deploying American intermediate-range missiles in NATO member countries. Like him, he is pushing France to join the MBFR. And finally, he is proposing a conference on the subject of "the problems of disarmament in Europe." Clearly, that means that this conference /will also be on the subject of nuclear weapons, including our own./

The Russians have never stated things so clearly, even though they may have wanted to. Marchais is thus playing the part of the Soviet diplomacy's avant-garde. This is surely not the position of the great majority of French communists, many of whom, like us, want to preserve France's independent policy--on which the secretary general is turning his back.

Let it be understood once and for all, by both East and West, that our policy of military, and especially nuclear, independence is not negotiable. No more than is our independence as a nation.

11935
CSO: 3100

EUROPEAN PARLIAMENT DEBATES 1980 BUDGET

Zurich NEUE ZUERCHER ZEITUNG in German 8 Nov 79 p 9

[Text] For the first time, the European Parliament is considering in detail at a special session the community budget for 1980. During a 3-day debate, the assembly will be able for the first time to prove its new democratic legitimacy on hand of a concrete example, and to determine its position in Europe. After 10 hours of debate, however, a conflict appeared: the political game of parliamentary position finding is being pursued by the majority of speakers with a lack of understanding of the actual goals and provincial pettiness over factual trivialities.

Undiminished Rights

Chances are in part quite good that the European Parliament will make its imprint on the institutional machinery of the "Nine." Thanks to the initiative of the former president, Italy's Colombo, the present assembly can assume the undiminished budget powers to which it is entitled according to Article 203 of the European treaty. At stake is the clearly defined right to a voice and decision regarding specific budget positions, which in itself is limited and differs according to category, as well as the right to approve or reject the total budget.

On this basis also, as well as on experience, rests the careful work of the reporter of the parliamentary budget committee, the Dutch socialist Dankert. With politically clever moves, he makes an attack on the almost absolute decision-making powers of the EC Council of Ministers. By directly quoting the EC treaty law, he is demanding a redistribution of agrarian subsidies, thus infringing upon the decision domain of the council. Besides that, his suggestion for an increase in the other budget items (for example, regional and social public funds, energy and industrial policy), where the parliament—with certain limitations—has the last word, projects beyond the limitations set by the treaty. Both efforts have the same result, namely that the budget's "agrarian burden" is somewhat reduced in favor of a policy of government subsidy. Dankert ultimately insists that all EC activities affecting the budget should be included in the budget and thus be made subject to parliamentary control. Up until now the council has distanced itself from the EC loan policies and the EC aid to developing nations.

Preventative Tactics

There are also problems to be faced. The council, keen on maintaining its authority, and wiser through last year's experiences, has taken measures against the parliamentary attack. In its draft budget, it limited the authority of the delegates to a minimum; anything beyond that, which the council might perhaps be willing to concede to the parliament later during the procedure, already now becomes an act of "generous kindness" towards the newly awakened parliamentary self-respect. The council will retain all the aces up until the last budget debate in December, and will then be in a position to reach its own political goals with marginal concessions, namely a 1980 budget without a political power ploy on the part of the assembly over, for example, a rejection.

Whether the council is correct in this assumption or not will be known next month. The Strasbourg debate indicates that the council's tactics might be successful and that the parliament cannot break out of its institutional cage: it resembles a restless lion with dull claws and loose teeth. Where were famous names like Tindemans, Marchais, Chirac or Brandt during the budget session, when it became necessary for the first time to take an actual political stand in the European Parliament? They were not there during the session in Strasbourg. They left this work to their underlings, who appeared in limited numbers--depending on the time of day or night--between 30 and 100 out of a total of 410 European delegates. Notable was the presence of the European commissioners with sometimes only six or seven persons present, and the dutiful perseverance of Irish Council President Sharry. The European delegates appear to be letting themselves be affected already by their not very effective president, France's Simone Veil, who prefers getting personal attention to advancing the complicated parliamentary machinery of the European Community.

Discussion With Little Consistency

The debate itself showed a lack of consistency and often a lack of factual knowledge. The British Labor and Tory representatives presented a bitter battle across the benches for the benefit of British television viewers, without offering anything constructive. The majority of the other speakers did not concentrate on what was essential in budget policy with its institutional effects, but made attempts at commonplaces in the areas of agriculture, politics, or economics. Refreshing and clear, on the other hand, were votes like, for example, that of the Danish European Community opponent Bonde, who opposed any kind of European increase in power, whether in the council or in parliament, or that of the former Italian European commissioner Spinelli, who accused parliament of overlooking the major political lines in the budget debate. The French socialist Sutra suggested that he, as a new European delegate, could hardly advise on budget figures the basis for which he was not sufficiently informed of; next year he would be in a position...

9328

CSO: 3103

MISCONCEPTIONS PREVALENT IN ANALYZING ECONOMIC PERFORMANCE

Paris LE MONDE in French 19 Oct 79 pp 1, 38

[Article by Jean-Marcel Jeanneney, former minister, professor of political economics at University of Paris I: "Nine False Ideas About a Difficult Crisis"]

[Text] In this autumn of 1979, prices are spiraling, production is in a slump or declining and unemployment persists or grows even worse in nearly all Western countries. The feverishness of gold prices, foreign exchange rates and the stock market is the sign and cause of serious unrest. And yet, never before have governments armed themselves with such a barrage of statistics and polls, retrospective analyses, predictions for the future and econometric models. Never before have ministers of economy and officials from issuing institutes of the major nations held so many meetings, all apparently in vain.

In order to excuse this surprising powerlessness, they willingly point to the increase in the price of oil or the rapidity of technical progress, which is capable of upsetting conditions of competition and abruptly reducing labor needs. In contrast, they sometimes blame the inadequacy of innovations, which allegedly explains the low investment rate. They denounce trade union pressure which, by raising wages an excessive amount, increases costs, in turn setting off more price increases or ruining businesses. All of this apparently escapes governmental action. Is there nothing to do then but to resign ourselves to the inevitable?

We are actually the victims of false ideas spread ad nauseum and gobbled up by most of the experts who design Western policies.

I -- It is claimed that a large budgetary deficit is desirable in case of unemployment, in order to bring overall demand in line with the potential supply.

This was true at the time of the Great Depression between the two World Wars, when a persistent and strong drop in prices (it was from 20 to 30 percent in most countries from 1929 to 1933; in France, from 1931 to 1935) caused

people to pile up their money since the purchasing power of the monetary unit increased with time. The increase in inactive cash reserves reduced the demand for goods and services, which brought prices down even more and led people to save even more. A budgetary deficit was useful at that time to stop this cumulative mechanism of deflation, for by distributing more revenue by its spending, which it did not finance by its taxes, the government increased household spending and thereby halted the drop in prices. It was all the more successful when, instead of borrowing to cover the deficit, it had the issuing bank create money.

But things are no longer as they once were. Today, with prices rising continuously and rapidly, the idea of boosting economic activity for any length of time by a budgetary deficit is fallacious. At most, it could help production for a few months, but the inflationary effects of this remedy are soon felt, for no one is hanging on to currency that is losing its purchasing power daily.

2 -- It is claimed that an increase in the cost of energy and raw materials inevitably brings about a general price increase.

It is obvious that any increase in one factor of production, no matter what the cause -- a natural disaster or a decision by suppliers holding a near monopoly -- tends to increase the general price level, first of all, by raising the cost of products in which the factor is included and later, by spreading to other products. But this contagion can be effective and lasting only as long as additional quantities of currency and bank credit enable buyers -- households and businesses -- to pay more for certain products without restricting their overall buying.

Price controls have but temporary effects, which in the end are harmful. Only a strict adaptation of currency emissions and the granting of credit, as business demands and at constant prices, constitutes an effective check on inflation.

3 -- The response to this is that it is impossible to prevent the excessive creation of money now that the use of checks and bank accounts has become so widespread.

It is true that commercial banks have the possibility of creating nearly unlimited amounts of script because the credits granted nearly almost fatten their holdings and result in only small withdrawals of bank notes from their coffers.

However, without it being necessary to resort to the mechanism of credit, which makes the banking apparatus too rigid, it is permissible for monetary authorities to take over control of the creation of national script by manipulating reserve coefficients, forcing banks to sterilize a certain percentage of their deposits -- variable depending on the circumstances -- with the issuing institute.

Doing the same thing with regard to the currently unbridled creation of "offshore" currencies -- Eurodollars or others -- in order to fight world-wide inflation that has now become catastrophic, would not be impossible if four or five of the major nations made a joint decision to do so. The current dollar crisis emphasizes the urgent need for such action.

4 -- It is hinted that general price increases -- so virtuously denounced -- are actually beneficial because by relieving debtors' burdens, they favor investment.

The burden of old debts is naturally reduced year after year and in the long run, becomes minimal. But when everyone becomes aware of the permanency of price increases, interest rates fall in line with them. This places a great burden on new borrowers and therefore, on emerging enterprises and home-builders.

There is something even more serious: Since price increases fluctuate, differ depending on the product and are always of an unforeseeable amount, calculations of potential profitability on which investment decisions must be based become too hazardous. This insecurity paralyzes reasonable business executives, while speculators squander their capital.

Indexing Loans

5 -- People are made to believe that it would be harmful to index loans on the cost of living.

When, as is now the case in nearly all Western countries, wages, fringe benefits, pensions, rent and lease income and taxes are indexed by law or in fact, the ban on indexing medium- or long-term loans is absurd. It is particularly necessary that they be indexed because a loan contract whose effects are spread out in time, without any possible revision, must, in order not to be unconscionable, be made safe against the risk of monetary depreciation.

Infernal and diffuse pressure in favor of a certain budgetary and monetary laxity that debtors of all kinds are now bringing to bear on the government would immediately disappear. Consequently, the indexing of loans would greatly reduce inflation, far from increasing its probability.

6 -- It is said that the fight against inflation must be gradual and that the slowing down of prices must be cautiously spread out in time in order not to halt economic activity.

On the contrary, the measures indicated above -- balanced budget, draconian limitations on the growth of the monetary mass, indexing loans and balance sheets -- should be taken suddenly.

Since inflation has raged in the world for 10 years and not successfully checked anywhere, except in Switzerland, one is justified in doubting the

gentle remedies that are linked to promises -- never kept -- to end it. Public opinion is willing to accept increases in certain prices for particular reasons -- even in all prices for a few troubled quarters -- but it cannot understand why, in peacetime, all prices rise continuously and inexorably from 5 to 10 percent annually or more, in the absence of any general scarcities and even when stocks are building up. It concludes that there is a mysterious new fatality.

This belief is in itself disastrous because in order to guard against possible increases, every person demands increased nominal remunerations ahead of time.

Radical Reforms

In order to break this vicious circle, we must break this collective belief, which is more firmly anchored the older inflation is. It can be done only through the spectacular announcement and sudden execution of radical reforms that are visible to everyone and are actually the guarantee of a lasting stability of prices.

It is true that a sudden halt in inflation could mean serious difficulties for businesses which, in order to obtain financing, agreed to pay high interest rates because they had reckoned on a lasting increase in prices. Bankruptcies could start a crisis. The solution would consist of a law which would cut interest on all previous loans to 2 percent and index that interest.

7 -- It is accepted that an increase in the price of or a scarcity of certain imports -- oil or other goods -- necessarily result in a slowdown of economic activity and increased unemployment.

Good sense should make one realize that on the contrary, the determination to substitute national resources for imported resources in order to limit the drop if the standard of living should give rise to new activities and therefore, lead to the creation of additional jobs, first of all, in order to set up facilities and then to operate them. It is most unfortunate that impoverishment resulting from more costly or more scarce imports is worsened by inadequate utilization of national production capacities.

When this is the case, monetary or budgetary boosting of demand is justified only if the duration does not exceed a few months, a period of time which should be sufficient to stimulate and orient the utilization of available productive forces. In order to do so, customs protections and financial incentives are necessary, instituted within the framework of medium- and long-term prospects clearly set forth by the government.

8 -- It is maintained that in order to reduce unemployment, one must severely regulate layoffs, strictly limit overtime and go after moonlighting.

Full utilization of production capacities implies that the productive apparatus must be able to respond to market changes with flexibility. To a certain

extent, large businesses are able to meet necessary production changes by internal labor transfers. It is therefore legitimate and desirable to regulate layoffs in such cases, but small businesses, which can meet varied and changing demands rapidly, need to have great freedom in managing personnel. They will hire only if they are certain of being able to lay off workers.

Technical progress justifies a gradual reduction in the amount of time worked annually, but the flexibility that is indispensable in order to respond to changing demands implies quite broad variations in weekly schedules. Giving such latitude to enterprises, whether large or small, means allowing them to prosper. Only prosperous enterprises will hire. Moreover, by producing more at the right time, they will have an effect on prices.

As for moonlighting, it would be better, under certain conditions, to allow it to come out into the open! At the present time, in all countries, work done on an individual basis for someone else, during one's free time and outside the framework of an enterprise, is often the only way to meet many domestic needs, particularly the maintenance or equipping of housing for persons of low incomes. It provides workers and users satisfactions which are very real, even if they are not taken into consideration by official statistics.

9 -- It is always repeated that the necessary positive balance of payments must mainly be sought by developing exports and that the intensification of world trade is the condition for improved well-being.

The current inability of national governments to correct their economic difficulties is very largely due to an excessive opening up to the outside which, in the absence of an international authority capable of governing world trade in a common interest, allows too much free play for disastrous competition that destroys jobs.

West Europe is now an irrevocably integrated economic unit. Everything should be done to promote the reconquest, by its producers, of European markets whenever this is materially possible and economically reasonable. Otherwise, one will not be able to assure full employment or a steady increase in the standard of living.

The condemnations and proposals made here come neither from the right nor the left, for they do not affect the degree of participation by wage earners in the management of enterprises, the share of the national product redistributed by transfers, the place given to enterprises using government capital or the extent of the social inequalities that are accepted. They are based on the existence of unavoidable economic mechanisms that will always exercise decisive action on the living conditions of everyone. It is better to take them into account than to fail to recognize them.

11,464
CSO: 3100

TINDEMANS BACKS CVP EXTREMISTS

Brussels SPECIAL in French 4 Oct 79 p 21

[Article by G. L.]

[Text] Jean-Maurice Dehousse said out loud but a quarter of half what the Francophones are thinking. And Mr Tindemans is asking him to apologize...

The government (including its CVP [Social Christian Party] ministers) has but finished drafting the bill on the irreversible phase of the regionalization, to be submitted now to the Senate, and Mr Tindemans has already unleashed the dogs. The president of the European Popular Party, who has just incurred a sharp scolding by former French Prime Minister Debre,* misses no opportunity to back the extremists of his CVP. There are CVP extremists in all of this party's organizations. Paradoxically, unlike the CVP extremists of yesterday and yesteryear, they defend Belgian unitarianism tooth and nail. The time of "Voor Belgiskske nikske" [translation unknown] has come to an end. Belgium has become dear to their hearts since becoming aware of the ability of their region to dominate the entire country.

For having denounced this exploitation, which has gone on for years, socialist Minister Jean-Maurice Dehousse was acrimoniously taken to task by the CVP's official periodical ZEG. Under the heading "Go Home Meneer Dehousse," the CVP penny-a-liners demanded no less than that J. M. Dehousse resign.

The article in question provides quite a valid psychological insight into the behavior of the CVP's Flemings. That behavior comes directly, in a straight line, under the same heading of vilest bad faith, as the behavior of some wives in quarrels with their husband or his substitute. The procedure is simple: reproach the other with precisely that which he would

*In the opinion and editorial pages of the daily LE SOIR, for his European views.

have the grounds to reproach you with. Then, to top it off, issue yourself a certificate of impeccable morality: "Good sorts and reasonable as we are," writes ZEG, "we thought, at first, that your leader had suffered an attack of election fever..." And the author of the article goes on to brand J. M. Dehousse a racist and to accuse him of "dealing a heavy blow to the unity of the country." Clearly, of course, Borrm's heirs have never been concerned with other than the defense of Belgium's unity... Continuing in this vein, ZEG denies that Mr Dehousse is in good faith (that, undoubtedly, which was at the origin of the "Walen buiten" [translation unknown] at Louvain). As regards racism, not a word did it write in protest when Mrs Algoet, burgomaster of Rode-Saint-Genese wanted to reserve the beloved territory of her community exclusively for the Dutch-speaking... But, rubbish! One could list ad infinitum the CVP's disavowals, its words given then retracted, its signatures appended then withdrawn. If the unification of Belgium is no longer possible, it is owing to Flemish excesses, to the racist attitudes (see the Fourons) of the men of the North, "Nazis during wars and Catholics between them," as sung by Brel.

Asked about this incident, the president of the CVP, the sanctimonious Mr Tindemans, declared that "the ministers should weigh their words more carefully," obviously meaning the Francophone ministers, since the Flemish ones are entitled to unbridle their demons with impunity. Leo Tindemans, however, goes even further: He feels Mr Dehousse should apologize to Flanders.

And then, what? Mr Dehousse expressed barely a quarter of half what the members of Belgium's French community are thinking. Should he not journey to Antwerp, a rope around his neck and clothed in the sackcloth of repentance? Should he not implore, on bended knee, the forgiveness of the burgomaster of Edegem, the position occupied by Mr Tindemans? Nonsense! If there are any reasonable and good sorts in this country, they are the people of Brussels and the Walloons, who for decades have supported the infringements by Flanders and the CVP on the most personal of their interests, the monopolizing of the state by a single party, and the unending succession in government of the most qualified representatives of Flemish intolerance.

9399
CSO: 3100

MARTENS GOVERNMENT CONSIDERED INEFFECTUAL

Brussels SPECIAL in French 4 Oct 79 p 20

[Article by G. L.]

[Text] Wilfried Martens is a compromiser and speechmaker. He talks, he talks. He should now show that he also intends to act.

The Martens government is existing from compromise to compromise. Some judge its existence to be precarious. Others recall that proclaiming a government's precariousness has, more than once, paradoxically secured its longevity in the past. Is Mr Martens walking a tightrope between the management associations and labor unions? So he is! But our tightrope walker seems to have a reliable balancing pole. Is he now swaying between the intolerance of the Flemings and the steadfastness of the French community, which finally seems to have found its own internal stability? Again, he relies on his balancing pole.

What warrants pointing out, it seems, is that, in running his government, the prime minister relies heavily on a democratic response from both sides; he applies with absolute rigor the method of government through concertation of a permanent assembly of his cabinet. This was evident during the most recent meeting of the Council of Ministers. Whereas the decision was reached without the need for long debates to reinforce action against private militias, the same did not hold in regard to the Flemish school of Comines. On the latter issue, the prime minister requested each of his colleagues to think about it over the weekend, promising to consider all points of view before reaching a decision.

One can easily surmise that these two important issues--the suppression of the private militias (for the Francophones) and the Comines school (for the Flemings)--were played one against the other. This would mean that the Flemings had refused to go along with the action against organizations of the VMO [Flemish Militant Order] type without the quid pro quo of a positive approach to the issue of the Comines school. The compromise thus

taking shape leads Francophone opinion to strongly believe that, regardless of the angle of approach to the issue, the Flemish ministers are reluctant to enforce the 1934 law on paramilitary organizations. In plain language, the most basic of ethical concepts has been trampled under foot: to obtain the obedient application of a law that has been in effect almost 50 years, one must give in on some other terrain. In the end, the beneficiary of the compromise is, as always, the assertive Flemish attitude. It must be recognized, however, that it must have been hard for the Flemish politicians to crack down on the movement's militias. Many of these politicians owe their elections to their conformity with the principles that are defended, club in hand, by the hooligans of the VMO, the spiritual (if we may use the term) heirs of the Flemish "Wassen Ss". But to recognize, even though implicitly, a solidarity between those men and the Flemish politicians is, once again, to mark the gulf that exists between our communities, and confirms, should there be need, the imperative requirement for an effective regionalization of the country. The fact that it was the General Parquet of Antwerp to set in motion the suppression of violence by the Flemish Movement's militiamen is significant in this respect: Mr Martens, like the Flemish ministers, knows that the Fourons and Comines incidents were the work of organized gangs outside the Fourons and Comines. This means that the ferment is being stirred up, under any pretext whatsoever, and artificially maintained by troublemakers who take no part whatever in the social and cultural life of the communities in question.

This observation is also valid, and very obviously so, for the Brussels area. That Mrs Algoet, burgomaster of Rhode-Saint Genese, or her CVP [Social Christian Party] colleague from Overijse, have been bitten by the tarantula of intolerance and its sister, racism, is in one case as well as the other detrimental to both a French-speaking majority and a strong minority. This all stems from the same principle of Germanic law: the primacy of the fatherland over the individual, that is, a systematic concept of the very essence of democracy.

Policy and Loyalty

Whether we like it or not, and at the risk of being repetitive, the only reasonable cure for all our ills--a relative cure which is not without its need for courage--is spelled regionalization. Will we achieve it? The government's policy is known, and Mr Martens has until now respected its undertakings in this regard. He has just submitted a bill, in behalf of the government, setting forth the provisions of the second phase (transitory and irreversible) of the state reform. He has designated his principal private secretary, Mr Jean-Luc Dehaene, to explain what is going on, so to speak, to the CVP deputies. Thus, the daily press could write that the parliamentary group to which the prime minister belongs "would agree" to carry out loyally the commitments undertaken in this regard, and the conditional used looms as a new universe: "would agree to be loyal." Is

loyalty to policy, therefore, not an imperative for these gentlemen of the CVP? They "would agree" to be loyal. Under what conditions, please? Is loyalty, therefore, not one of the essential conditions for the existence of a coalition government? And is the CVP all that nostalgic for an absolute majority of its own with a PSC [Christian Social Party] at its disposal?

So, they would agree to be "proper"! For how long? For it must be pointed out that at this meeting of the Chamber's CVP group, Leo Tindemans put in only a very brief appearance during his dash from Strasbourg to Houffalize where, oddly enough, the Flemish members of parliament were meeting. Can the sudden CVP concern for loyalty be attributed to this brief "Tindemansian" presence? And was this loyalty then not subject to the condition of its being endorsed by Leo Tindemans?

Meanwhile, the price of gasoline is rising, the price of bread is climbing, an expensive license plate is in the works that will entitle drivers to access superhighways which they have already paid for--and many times over!--after years of being taxed to the bone.

The Martens government is trying to cope. It needs new resources to prevent the franc from foundering. It finds them...in our pockets. But at the same time, the ministers have the audacity to blame unemployment problems on abuses. Certain measures will go into effect in October 1979: the fight against fraud, the fight against the easy availability of unemployment pay (enhanced by the operation of a labor black market) and the tendency to prefer these sources of revenue to a regular job, the more so since a regular job is heavily penalized by the tax collector whereas unemployment pay and black market labor are entirely immune to the tax bite.

And so there is talk, and more talk. The time has come now to show that this is not all we can do...

9399
CSO: 3100

FOURON'S WALLOON, FLEMISH POSITIONS RADICALIZE

Brussels SPECIAL in French 4 Oct 79 pp 16-17

[Article by Guy Van Schoore: "Fouron: It's Belfast!"]

[Text] With the regularity of a well-oiled metronome the Fourons return again and again to the forefront on the national political scene. The habit has become so ingrained that no one seems to be even aware that the linguistic-communal farce has turned toward tragedy. Clochemerle resembles more and more Belfast.

Searchlights appear in the night. Slowly and with the measured movements of phantom ships sailing toward their inevitable end, the gendarmerie patrol passes before us and disappears as suddenly as it appeared, swallowed up by the darkness. Except for a tabby cat which streaks like an arrow across the road, and a youngster amusing himself flashing light signals in a farmyard, there is not a soul in sight in the streets of the Fourons. Curtains and shutters are carefully shut. Occasionally, a door opens and an engine starts up as visitors depart, almost clandestinely. A new gendarmerie patrol comes by.

In Fouron-Saint-Martin only the gendarmerie headquarters is lighted up. Through a window, four gendarmes can be seen playing cards.

A few kilometers away, the restaurants and cafes of Vise and Aubel are filled with the boisterous Friday night crowds. The Walloon festivities are closing to the melancholy blare of final refrains and the smell of beer and French fries. The crowds are laughing, dancing and having fun. At the same hour, in the Fourons, it is stifling. As one crosses into Holland without having spotted a single customs officer--only the road markings and automobile number plates indicate that one has gone from one kingdom into the other--one does not need an ordinance map to know exactly, within a distance of one meter, when one has crossed the invisible frontier of the Fourons.

In the faint light thrown off by a few street lamps through the shreds of fog that cling to them, a dead silence gives to these six charming villages a disquieting and unreal aspect, a lingering, vague, imperceptible, but obsessive air of menace.

The village square in Fouron-le-Comte is deserted. The shutters of the Cafe des Sports in front of the church are closed. All public establishments must close at 2000 local time and the gendarmerie enforces strict compliance with the curfew ordered by District Superintendent Peeters. At the Cafe des Sports, the scene of the firing against some Flemish demonstrators that gave rise to this curfew, the proprietor, Mr Crosjean, is already asleep. But his wife is at a window on the first floor up, taking in the fresh air. Or is she on guard? "I am truly sorry, but I am forbidden to let you in. The gendarmes are very strict. We are not allowed to have more than five customers at a time between 0800 and 2000. The cafe is closed now. Besides--do you hear me?--they have spotted you and will report..."

Not More Than Five Customers

In fact, 30 meters behind us a radio crackles, too far away to make out what is being said. We had not seen the Volkswagen station wagon parked along the church wall with its headlights out. Our arrival must indeed have intrigued them.

"Are they there to protect you?"

"I do not know. They are not there all the time. At times they leave, at times they return. I rather believe they are watching to see if I let anyone in. They never stop pestering us to see if we have allowed more than five customers into the cafe at any one time."

"Have you received any threats since last Monday?"

"No. What more could 'they' do? All of my windows are smashed, even those on the first floor up..."

Here, last Sunday, the "Fouron problem," as the political commentators are modestly calling it, almost turned into a tragedy.

It was Sunday night going on Monday, just a little past midnight, when in the Grand-Place de Fouron-le-Comte two Francophones and three Flemings, for an undetermined--and probably a deplorably insignificant--reason, began exchanging disparaging remarks. They quickly came to insults and, as the Francophones left, the Flemings also left to seek reinforcements at the Kursaal, the Fourons' Flemish community's cultural center. Tempers quickly reached the boiling point and in the absence of the Francophones, who by

this time had calmly returned home, the Flemings came to blows among themselves with an unheard-of violence at the Cafe des Sports, whose proprietor, Mr Rene Grosjean, 55, was unfortunate enough not to be one of them. Frustrated because they had not been able to organize the procession that traditionally closes the annual kermis and that, for reasons of public order, had been forbidden by Burgomaster Dodemont, some 40 Flemings began stoning the front of the Cafe des Sports. Four of them entered the establishment with the obvious intent of sacking it. At this point, Mr Grosjean saw red and took down a .22-caliber carbine with which he threatened the invaders. Summoned firmly to leave, the four withdrew. At the same moment, a veritable rain of bricks struck the front of the cafe, breaking glass fronts and windows. Angrily, the Flemings overturned an automobile.

For Jose Happart, president of Action Fouronaise, the succession of events was simple: "Mr Grosjean fired because he was acting in legitimate self-defense. Attacked in his own establishment by thrown bricks, he did nothing more than defend his wife, his 7-year-old son and his customers..."

For the Flemish organizations, on the other hand, Mr Grosjean started shooting before the glass fixtures of his establishment were broken. The volley was a pure aggression.

When reinforcements from the gendarmerie finally arrived, called up by their colleagues on the scene who had done absolutely nothing to prevent the frenzied mob from breaking up the cafe's glass front and windows, they found three persons wounded. Kaspard Heuschen, a Dutch resident of the Fourons, was the most seriously hurt. One bullet had struck him in the face, and for several hours his life had been in danger. As for Andre Gillard and Freddy Pinckers, their wounds were much more superficial.

Led away by the gendarmes, Mr Grosjean was first taken before a Flemish examining magistrate at Tongres, then, having demanded due French process, before a second judge, a Francophone this time, at Liege.

The next morning, after a rapid reenactment of the events, the Liege judge released Rene Grosjean, since his detention was not considered essential to the investigative procedure.

The Brave Flemings

The outcry is one of general indignation in the Flemish press, for whom a Francophone is not entitled to act in self-defense, regardless of the circumstances, since, be it understood once and for all, it is the brave Flemings who are being subjected to daily aggression by the Walloon imperialism being imported from the province of Liege.

Manu Ruya, editor-in-chief of STANDAARD, and the thinker among the Flemish intelligentsia is one of the very few to be keeping a cool head. Although deplored the attitude of the Liege examining magistrate, whose impartiality

In questions, our Flemish colleague emphasizes vigorously the dangers of allowing the situation to deteriorate to the point of confrontations "in the manner of the Basques and the Irish," and of regretting "the aggressiveness of Happart and his gang" at the same time as the fact that "Walloon agitation is provoking harsh retaliations on the part of the Flemish; at times certain helmeted militants feel compelled to defend the Limburger character of the Fourons with clubs." Unfortunately, this is not the first time, as most of our Flemish colleagues seem to think it is, that shots have been fired in the Fourons. Last year the glass panes of the Cafe des Sports in Mouland as well as those of a bicycle merchant in Teuven were shattered by bullets. Mr Sveron, manager of the Fourons cultural center, misses no opportunity to tell his visitors that he has been on the receiving end of 16 mm fire!

But this time, the gravity of the incident, which could have resulted in deaths, nevertheless marks another rise in the spiral of violence. Until now, the sides have been content to breach the close, whitewash facades with insulting inscriptions, and go from the peurile to the odious, as on that day when the Flemings dumped liquid excrement on the grave of a young Francophone militant. But never until now have the members of the two communities run the risk of a face to face encounter with weapons in hand.

The Fourons are today not merely the back yard for our foolish linguistic quarrels. From Mouland to Remersdael and from Fouron-St-Pierre to Teuven to Fouron-le Comte to Fouron-Saint-Martin, brutal, visceral and imbecilic hatred is in the process of dimming every hope of dialog and of a peaceful solution.

For a long time the Fouron Flemings have been content to applaud the Sunday incursions by the Taal Action Committee's [TAK] loud-mouths and by the VMO's [Flemish Militant Order] "muscular dialecticians." The Francophones, for their part, counterdemonstrated symbolically, waving flags emblazoned with Walloon coats of arms (Walloon rooster and Liege perron).

But the gulf that separates the two communities is now stratified. Their positions have been radicalized. The Action Fouronnaise headed by Jose Happart, who is referred to by the Flemish press as "gang leader," has decided to make a strong stand against the provocations and brutalities of the Flemish extremists.

Clochemerle is becoming more and more like Belfast. As in Ireland, fanaticism is now overtaking reason. As in Ulster, the gendarmerie, which is theoretically responsible for maintaining order and preventing confrontations, has deliberately chosen its side. It is not that of the Francophones.

The last weekend was calm in the Fourons. True, the VMO's wreckers had found "useful" work elsewhere, in the Comines area. While the TAK, for its part, was announcing the date of its next "walk" in the Fourons (Sunday 21

October), several fanatics claiming to be part of the Flemish Republican Army, were trying to set fire to a Francophone guard school in the Fourons with hastily improvised Molotov cocktails.

In view of the danger a new "community flare-up" would represent for it, the government has promised "that if the future situation should require it, it would submit a bill to reinforce the laws that already today prohibit private militias."

Let us hope it is not "already" too late.

9399

CSO: 3100

'LA PRESSE' COMMENTS ON PQ WHITE PAPER

White Paper on Pequiste Option

Montreal LA PRESSE in French 3 Nov 79 p A 4

[Article by Marcel Adam]

[Text] The pequiste [Quebec] government has finally made public the long awaited document that officially explains the constitutional option that it will propose to the people of Quebec at the time of next year's referendum.

This White Paper contains little that is new concerning the main point, when compared with the manifesto "As An Equal," published at the beginning of the year and the resolutions adopted during the PQ congress this past June.

Except that it reveals what meaning the government will give to a "yes" victory, that it explains more in detail what had only been sketched in before, that it describes how sovereignty-association will be realized.

This White Paper, well presented, clear and overall well written - nevertheless misleading. Intended to fully explain the matter of sovereignty-association, only about a dozen pages out of 118 are devoted to it. This brevity is all the more frustrating since that portion of the document is the most interesting. The remainder is only antifederalist propaganda and speculation on the possibility, and the advantages, of Quebec's associating itself with Canada as a sovereign state.

We can pass over the propagandist part as being only an elegant collection of banal cliches, of historical summaries, and of ludicrous mandates for federalism which the pequiste tenors regularly serve us, but for the epilogue of this document to take the form of a nagging and politician-type appeal to the people by the prime minister, rather than a message of high inspiration worthy of the historical moment that we are experiencing, is something to be disappointed about. And it is distressing to see that this solemn address to the people of Quebec is no more than show and wind.

During the discussion that will follow the publication of this White Paper, we will have an opportunity to analyze its different sections. Let us today keep in mind certain particulars that now offer a solid basis for the discussion that is about begin.

It is clear that what the pequisite government wants to obtain from the referendum is a mandate to REALIZE sovereignty-association. In this regard, the document differs a little from the program as amended this past June in that it does not take into account the matter of a second consultation in case the negotiations fail. But the government does not say what it will do in case of failure.

Even if the document dwells less on the definition of sovereignty than on that of association, it nevertheless unequivocally explains that what it is aiming at is the political sovereignty of Quebec, even if it takes the precaution of referring to it abundantly, by using the term autonomy, as if it were a synonym, a safe term for the Quebecers.

The document also reveals the procedure that the government intends to follow in order to realize sovereignty-association if the people give it a mandate for it.

First, it foresees that the negotiations will be long and it seems disposed to be patient. And it is flexible with respect to the form of the institutions that will emerge from the contemplated association, the principle of equality or of parity being safe in the essential organizations. In short, it appears open to all institutional ways and means, but uncompromising with regard to the main point, said Levesque in a press conference. The essential point being, I suppose, sovereignty.

It could not, then, be a question of unilaterally proclaiming sovereignty after the referendum, but only after there is an entente on the subject of the new association. A treaty for an association of sovereign states would probably then create the Quebec-Canada Community.

The document even envisages a negotiation that would be developed simultaneously in three or four sectors: for the transfer of power and resources; for association and related matters; for the sharing of assets and debts.

The document envisions the negotiations with so much optimism, it attributes so much good will to the Canadian side in that possible negotiation, that one cannot imagine that experienced statesmen truly believe this angelic scenario. In truth they do not believe it.

The government knows that it will not be able to successfully conclude negotiations intended to bring about at the same time the secession of Quebec and a reduced economic association compared with the present one and therefore one that is less advantageous for the rest of Canada.

Well, what does it hope for? First and above all, to win its referendum, even a reduced one. For it, it is a question of a step towards a more or less long term constitutional deliverance, as well as a certain political trump.

Not Very Palatable White Paper

Montreal LA PRESSE in French 6 Nov 79 p A 4

[Article by Vincent Prince]

[Text] Can one say of the White Paper on the matter of sovereignty-association that it is an intellectually dishonest propaganda document? I believe that one is justified in at least thinking so.

Of course, emanating from a government that advocates the breaking up of a federal government, one could not expect an approach that would imply the superiority of this kind of government over any other. But since the purpose of the White Paper is also to inform the people, in view of the choice that they will have to make next spring, it seems that it would have been normal for the White Paper to present both sides of the coin a little better.

Well, whatever pertains to federalism is presented in as poor a light as possible, whereas we are shown that it will be very easy to negotiate sovereignty-association with the same partners who maltreated us in the past and that we will all then live in a sort of terrestrial paradise.

The reader who has not been warned about the White Paper is taken in right from the first chapter. One proclaims to him that French Canadians have always been treated unjustly throughout history and that all efforts to change the political system, the root of the friction, have always failed as a consequence of the bad faith of the English-speaking people. Obviously, the only logical conclusion to be drawn from all of that is that if one is the least bit patriotic one must hasten to rid himself of his iron collar in order to obtain his own government, a government that will be the equal of the one in Ottawa and that will be able, finally, without risk of disturbing anything, to launch Quebec on the road to unprecedented prosperity.

There is no question of denying here that many injustices have been committed since 1760, or even since 1867, with regard to the French-speaking people of the country and Quebec in particular. Neither is it a question of glossing over the many attempts, abortive or successful, by Ottawa to extend its areas of jurisdiction, to the detriment of the provinces. Also, one

cannot ignore in silence the fact that federal-provincial relations have generally been difficult and that the country has suffered too often from an excessively burdensome division of services.

But an honestly reconstructed history would not contain only these disquieting shadows. It would probably have been in order to also recall that we, that "exploited" people, are nevertheless among the countries that can boast having the highest standard of living in the world. It would probably have been in order also to stress, as did Claude Ryan, chief of the provincial Liberal Party, that its status as a province did not prevent Quebec from having its own revenue system, from enjoying special arrangements in the matter of immigration, family allowances, "opting out," etc.

Ryan was also right in recalling that the federal government made available to us the excellent French network, Radio-Canada, and a quite generous pro rata system of expenditures, at the same time that it enabled us to save some \$5 billion, from 1974 to 1979, in the matter of oil payments alone.

Obviously to put forward only these positive instances of federalism would result in a somewhat summary reading of history. But, the government's opposite way of proceeding, a government which should be at the service of all the people, is not less disquieting. When one is confident of a point of view, one must not be afraid to throw light on objections that it might stir up.

The White Paper also seems very questionable--still on the level of intellectual honesty--when, through its choice of key words it tries to imply that sovereignty-association is only the normal outcome of the struggles that have been carried out in the past by Quebec nationalists. Terms like separation or independence are omitted. Instead, autonomy is used, a word that is very familiar here at home. The pequisite plan is presented as if it would not change anything, whereas actually its realization would mean the end of the federative pact, the end of Canadian citizenship, the end of all parliamentary representation in Ottawa, etc.

And, above all, what of the idyllic description that is given us of the negotiation to be developed with what would remain of Canada! How can one make us believe that these people who were "objectionable" up to now at a moment's notice would become amiable partners, desirous of concluding an entente on an equal basis with us? According to the White Paper, in fact, one must not exaggerate the indignant statements which the rest of the country's statesmen are making. They will finally indeed accept the "divorce" that we offer them; what's more, they will be happy to return to the marriage bed for purposes of commerce and trade.

A little more realism would certainly have been appropriate. And the same considerations moreover would be appropriate with respect to that which concerns our affairs once the break is made. It is by no means certain that the demands of the economic association will not be less hair-splitting than those of the political association that we have experienced since 1867.

8255
CSO: 3100

LEVESQUE, MORIN ACCUSED OF LACK OF CANDOR

Montreal LA PRESSE in French 7 Nov 79 p A 4

[Article by Marcel Adam: "A Quebecer Can Do Everything Except Hear the Truth"]

[Text] Prime Minister Levesque on Monday said that in the hypothesis that his government, after receiving a mandate to negotiate sovereignty-association with the rest of Canada, should fail in its efforts to arrive at an entente, "we will give the people a report and this report will probably be followed by an election."

That statement clarifies a little more the meaning of the etapiste [by stages] procedure chosen by the Levesque government.

In the White Paper the government pledged not to unilaterally declare sovereignty right after the referendum. The only possible purpose of an election that is a consequence of the failure of the negotiations would be to solicit authorization to declare sovereignty, since such an election could not succeed any better than a referendum with respect to inducing the Canadian side to negotiate the matter of sovereignty-association.

This tends to prove that for the pequistre [Quebec] government sovereignty is essential, whereas association is only desirable, in spite of the repeated statement of the prime minister, which the White Paper also reiterates, to the effect that "sovereignty without association will not do: they are inseparable."

That possible electoral step tends also to confirm a major preoccupation of the government: prevent the referendum operation from becoming a political Waterloo. By utilizing the electoral process in its etapiste strategy it hopes that, in the wake of a referendum victory, it will be able to cause its mandate to be renewed and to increase Quebec's involvement in the direction of political independence. At the same time it will embarrass the Liberal Party, which hopes to aim the next campaign in the direction of its plan for renewed federalism.

The strategy and the pequisite dialectics prove that the government is much more interested in winning its referendum and in remaining in power, the first victory being in its eyes the condition for the second, than in supplying the Quebecers with the historical opportunity of declaring themselves on their future.

The White Paper, which could have been a historical instrument leading to the awareness of all of the people, a document that could have made it possible for the people of Quebec of all constitutional allegiances to reflect and to become more informed before making a major choice, reveals itself as a slanted document in its historical, partisan, and one-sided section, in its manner of sensitizing them to the seriousness of the referendum step, exaggeratedly brief and too unprecise in the part that describes the plan upon which they are called to declare themselves.

I listened to the explanations that Prime Minister Levesque and his colleague, Claude Morin, were invited to offer after the publication of the White Paper. I listened to them and, observing how skillfully they persisted in not furnishing the explanations that were requested, in still allowing the spreading of the confusion that this document was nevertheless supposed to eliminate once and for all, I recalled what Talleyrand or Fouche said:

"Words were given to man in order to better conceal his thought."

And I said to myself that these people who believe the Quebecers to be sufficiently mature, sufficiently adult to undertake anything, to venture anything, and to succeed in anything, are not mature enough to tell the truth—candidly, straightforwardly, without subterfuge.

For example, the polls, in particular that extraordinarily sophisticated request for information that was conducted recently with the people of Quebec on constitutional matters, revealed that there is still much confusion on the subject of the pequisite option. It seems to me that in its White Paper the government should have eliminated misunderstandings once and for all by explaining as clearly as possible how sovereignty will affect our political institutions, rather than have provided a mere academic or philosophical definition.

For example, last Saturday on television Minister Claude Morin, when urged to provide details that are not included in the White Paper, answered that the discussion was only just beginning and that from now until the referendum other explanations, other details will be supplied regarding the operation of the possible association.

Why were they not all supplied in the White Paper? Is that not what it was intended to do and is that not why the government believed it was authorized to have the cost of its expenses defrayed by the state?

How can one not suspect the government of selfish motives, of lack of courage and of candor—a government that fears to put everything in writing out of fear of committing itself too much?

Levesque and Morin frequently say that the referendum constitutes a major historical event, since for the first time in their history the people of Quebec will have an opportunity to say what they wish.

For this event to have the meaning that one claims to have bestowed upon it, it must also be developed in truth and candor—which means excluding the mental restrictions and the euphemisms to which Levesque and Morin systematically resort in order to lull that important portion of the population that is not devoted to the choice of sovereignty.

Even if the maneuver is reprehensible and dangerous in that it risks reducing the scope of this great historical moment that the referendum is supposed to be, I do not believe that the government wants to deliberately deceive the people.

It is trying to derive the best benefit possible, for Quebec and for itself, the benefit of the one merging in its eyes with that of the other, from the extremely embarrassing situation in which it is placed.

Unable to cause itself to be elected with its option, it has promised to be a good federalist government and to consult the people by means of a referendum regarding its plan, claiming that once in place it would know better how to convince the people of Quebec of its merit.

But after 3 years of rule, it has not succeeded in converting most Quebecers to its option. On the other hand, the latter, eternel gamblers, according to the polls seem ready to entrust it with a mandate to negotiate the option, but not to implement it, in order to see what advantages Quebec might be able to derive from it.

Whence that artful etapisme [sequence of stages] and those verbal contortions that I am tempted to characterize as intellectual onanism.

8255

CSO: 3100

MONTREAL CHAMBER OF COMMERCE CRITICIZES ECONOMIC PLAN

Montreal LA PRESSE in French 1 Nov 79 p B2

(Article by Laurier Cloutier)

(Text) "Develop Quebec," the document put out by Bernard Landry, Quebec's minister of state for economic development, is "theoretical, ambiguous and contradictory," according to the Montreal Chamber of Commerce (CC).

During a press conference yesterday, the president and director general of the CC, Guy Desmarais and Andre Vallerand, asked themselves which document, for example, would take precedence as a basis for economic development: "Develop Quebec," which in certain chapters treats the private sector as the economy's motivating factor and, in others, "business," private, mixed and public, or the official program of the Quebec Party, 1978 vintage, which stresses intervention by the public sector?

After pointing out about 10 positive aspects and the "moderate and realistic" tone of the Landry document, the CC reproaches him for placing the responsibility for Quebec's disorders and problems on the shoulders of Ottawa and the multinational companies, too easily making the two scapegoats.

The CC also qualifies the document as an "exercise which is more theoretical than practical," as it "does not offer any real solutions to the problems of Montreal," a North American and international metropolis. There is no mention of the taxation of skilled personnel, inheritance rights and certain clauses of Law 101.

Lifetime Savings Exported

The CC believes that not abolishing inheritance rights, as is done by all the other provinces, is to promote "the channelling away from Quebec of savings accumulated during one's lifetime and the sale of businesses to non-Quebec interests."

Mr Desmarais also suggests a maximum rate of taxation of 50 percent on labor income.

Stop the Hemorrhage

As for corporate headquarters, "it is illusory to think in terms of a strong economy without stopping this hemorrhage in English-speaking businesses and assure an increasingly active participation of French-speaking representatives in business. The Landry document allegedly lacks realism in not partially attributing these deviations to "several governmental policies of the last few years."

Let Quebec create a favorable context and business will be swallowed up in it as in the case of the movie industry where federal taxation will favor expenditures of nearly \$100 million next year.

In addition, Mr Desmarais emphasized that "Develop Quebec," approved by the entire cabinet, does not calculate its proposals in dollars nor keep an accounting record of their realization. It is therefore impossible to determine its precise impact.

Moreover, Mr Landry "does not suggest any means of restoring to Montreal its share of the stock market, which was only 13 percent in 1978 and 11.4 percent during the first three quarters of 1979."

Nor does it contain any direct proposal aimed at "returning money and bond markets to Montreal to make it a true financial center of international importance."

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CSO: 3100

AFTER ELECTIONS: COUNTRY IS IN SAME POSITION

Bonn DIE WELT in German 29 Oct 79 p 9

[Article by Reiner Gatermann: "Danish Dilemma"]

[Text] The sick man on the Oresund had been taking a breather. He plunged into the election campaign which was short and painless. Some 3.7 million Danes went to the polls and confirmed that the political character of parliament and people is identical, marked by fragmentation, fickleness, and an absence of the will to give Denmark a strong government. What good is it that the Social Democrats have received a couple of additional mandates, that the tax rebel, Mogens Glistrup, now leads only the fourth-largest party instead of the second largest, and that the four traditional parties have won back some of what they had been obliged to cede to Glistrup and other Poujadists in 1973, when there are still ten fractional groups sitting in the Folketing (Parliament) and no broad majority exists for a definite political direction, especially in economic and financial questions.

Denmark now stands at the same point where it stood at the end of September, when the social-liberal coalition collapsed. The impression that since then nothing has objectively changed in Denmark's situation is further reinforced by the new Social-Democratic minority cabinet. The power of the Trade Unions Federation (LO) and, above all, the resistance to the coalition of its president, Thomas Nielsen, have not made governing easy for the Social Democrat Anker Jorgensen. Now, one might have assumed that Jorgensen, strengthened by the gains in the mandate, which should, in considerable part, be ascribed not to his party but to his person, would try to make a more independent position vis-a-vis Nielsen and make clear to him the fact that policy is made in parliament and not in the union headquarters.

Now Jorgensen evidently does not seem prepared to take this step. At any rate, the introduction of the cabinet provided the occasion for the newspaper BERLINGSKE TIDENDE to comment that the previous social-liberal coalition had been replaced by a social-trade union coalition.

Denmark faces immense economic and finance policy problems, which can only be solved through drastic interventions in incomes and state expenditure

policy. Two obstacles stand in the way here, erected by the trade unions and accepted by the Social Democrats--obstacles which have made it impossible until now to attack the roots of the dilemma with a broad parliamentary majority. These are in the first instance the automatic indexing of salaries and, also, the demand for a compulsory sharing of private enterprise profits, which then are supposed to be administered by central funds controlled by the trade unions. This is allegedly the first step towards a so-called economic democracy, it is said.

The second demand appears quite illusory at present, since Danish industry on the average is hardly evidencing a notable surplus. It is puzzling that in this regard Anker Jorgensen, with his basically realistic and pragmatic attitude, was not prepared, during the 13-month coalition period, to make some cuts here. There is some indication that he is not considering it for the future either, for, surprisingly, the previous finance minister, Knud Heinesen, an advocate of a tight incomes policy, had to leave his post.

Definitive information on the economic policy goals of the Social Democrats will only be available on 6 November, when Jorgensen presents the government declaration. If he repeats his demands, which have already led to the collapse of the coalition, then things will look bleak for Denmark, for such a program would only lead to the continuation of the previous policy, and that, in turn, has finally proven to be a fiasco. Surely the other parties would also have to make concessions and, for example, accept a limit on the heretofore unlimited tax deductions for credit interest. But the first conciliatory step would have to come from the head of the government.

Denmark is headed straight for a record high in unemployment and a steadily growing trade deficit. Certainly oil prices are not blameless in this. Yet the main cause of the dilemma is to be found in economic and finance policy, which for years has been indecisive and unimproved. After all, it has been 16 years since Denmark has shown a surplus on its output balance sheet.

9413
CSO: 3103

HELSINKI REVIEWS PRESS COMMENT ON IRAN EVENTS

LD221428 Helsinki Domestic Service in Finnish 0920 GMT 22 Nov 79 LD

[Press Review: Finnish Papers on U.S.-Iranian Crisis]

[Text] The diplomatic crisis between Iran and the United States is commented on today by KRISTITYN VASTUU, HELSINGIN SANOMAT and AAMULEHTI among others.

KRISTITYN VASTUU says that Ayatollah Khomeyni has embarked on a new and dangerous policy, international blackmail, by taking diplomats of a big power as hostages. According to the paper it is eminently clear that Khomeyni will not be able to force the Americans to extradite the mortally sick shah to Iran even if he were to resort to even stronger action, trials and sentences. The paper says that it is also clear that only human concern about the safety of the hostages prevents the United States from taking harsh counteraction against Khomeyni who is grossly violating human rights and international law.

The paper hopes that the strong condemnation by world public opinion and diplomatic persuasion will manage to bring the fanatical Iranian leader to his senses before the patience of the humiliated big power runs out and it takes military action. That would mean a bad diplomatic crisis turning into an even worse military crisis in the otherwise inflammable Middle East, says KRISTITYN VASTUU.

HELSINGIN SANOMAT notes that the U.S. ambassador has appealed to Finland on behalf of the hostages. In replying to her Foreign Minister Paavo Vayrynen said that all governments should unreservedly observe the Vienna convention on diplomatic relations. Such a statement which indirectly condemns the events in Tehran, ... is thought, also made to the Iranian ambassador. The Iranian Revolution council, however, holds the view that the agreement concluded during the shah's rule is not binding on the council.

On the other hand, Foreign Minister Vayrynen told the U.S. ambassador that the Finnish Government does not want to adopt a stance on the conflict between the United States and Iran other than by stressing it should be solved without violence and in accordance with the UN Charter. This

second part of the statement does not concern the fate of the hostages, to which the government adopted a stance by stressing the importance of observing the Vienna convention, but the differences in the background to the occupation of the embassy. According to HELSINGIN SANOMAT, the Finnish reply to the United States' appeal is in no way in keeping with the views aroused among the Finns by the events in Tehran. In its scantiness Foreign Minister Vayrynen's statement is subjected to interpretations, which do not give a flattering picture of the government's courage in defending something that the majority of the nation regards as right. But, the paper says, we must remember that the government cannot react to world events in the same way as the citizens, and that Finland's official foreign political statements have for a long time been unspectacular and reserved, says HELSINGIN SANOMAT.

According to UUSI SUOMI the formulation of statements is not likely to be easy. Finland stresses perhaps more than many other countries the consistency of its policy. In order that caution should not be misunderstood either at home or abroad as avoiding responsibility, our foreign minister should have been able to explain on the occasion, even if orally, the arguments for Finland's stance, says UUSI SUOMI.

AAMULEHTI says that one quickly solved occupation drama does not alter the course of developments, but it is a startling reminder of the dangers, above all of the fact that the prosperity of the Western world depends on very little. According to AAMULEHTI's estimate, the events in Pakistan on Wednesday also help to increase anxiety, although the country is not one of the oil-producing countries. The paper says that the elements of a big crisis are present.

CSO: 3107

U.S. 'HUMILIATION' IN IRAN SEEN POSING LONG-TERM THREAT TO EUROPE

LD221709 Paris L'AURORE in French 16 Nov 79 pp 1, 6 LD

[Article by Jacques Guilleme-Brulon: "The Iranian Cancer"]

[Text] The affair of the American hostages in Tehran and the way in which the White House has thought fit to dodge it will one day undoubtedly appear as one of the major turning points in the history of the period following World War II.

It is a fact that we have seen Washington abandon in succession Africa, Southeast Asia, the Indian Ocean, the Near East and, more recently, Latin America to Moscow's encroachments.

It is a fact that we have realized that the United States has descended of its own volition from the pedestal on which it had stood as a "big power" alongside the USSR since 1945.

It is a fact that we have seen with horror America willingly give up the leadership which its industrial and military power has given it the right--not to say the duty--to assume.

The explanations given to justify this unbelievable failure to act have remained unchanged--the Vietnam trauma and the shock caused by Watergate.

As a result, a tide of sales-clerk [midinette] moralism prevailing among a public opinion both poisoned by its deadly enemy and suddenly aware of its strength logically led that huge country, which had and, after all, still has prerequisites for supremacy, to offer power to Mr Jimmy Carter, that is, a man who in its view embodied the coming of the reign of universal virtue.

And yet who has even believed on this earth that choirboys can pursue an effective policy? By indulging year after year, in breast beating, by dismantling its intelligence services in the name of great principles and by demobilizing itself in order to convince others of its innocence the United States has become the "paper tiger" about which Mao Zedong once spoke so derisively. The great helmsman's hopes have been fulfilled

beyond all expectations. And? By one of time's revenges, it is at the very moment that this once completely unrealistic objective has been achieved that Mao Zedong's successors are asking their former adversary to come to their rescue and help them to contain the "large-scale hegemonism" which is now threatening their borders.

However, let us have no illusions about it--the humiliation which Washington has suffered in Tehran with disconcerting courage has opened wide the gates to the drama which we have more or less been trying to stave off for 34 years.

The consequences of Mr Jimmy Carter's capitulation to Imam Khomeyni are in the process of radically changing before our blind eyes the factors of world balance.

On the one hand, this lack of any real reaction on the White House's part will enable the Kremlin to press ahead and accelerate the process of distintegration both in the regions in which it has taken root through the intermediary of Third World countries and throughout the planet.

We run the risk of witnessing in this sphere a series of earthquakes which the political vacuum created through the U.S. absence is bound to make worse.

And on the other hand, that is, among free nations, the consequences of all this could rapidly prove to be even more disastrous, especially for Europe.

The passivity displayed by the Americans both on the Iranian stage and on others will, for example, obviously discourage NATO members from acquiring the medium-range nuclear missile systems--Pershing-2 and cruise missiles--which Washington is now offering them. Now the defense of our continent would become illusory if Europe failed to acquire these systems in the nearest future with a view to counterbalancing the deployment of Soviet SS-20 missiles.

December will prove crucial in this sphere. On the occasion of the [SPD] Congress which is to be held in West Berlin in that month Mr Helmut Schmidt will in fact have an opportunity to assess the margin for maneuver which he has within his own party.

If people like Mr Wehner, for instance, who believe that the game is not worth the candle, that the United States is no longer credible and that the time has come to start negotiations with a view to achieving a proper entente with the USSR--people who now are in minority--were to cross a certain threshold, the West German chancellor's room for maneuver would become narrow. Hitherto unforeseeable turnabouts would appear possible. And the specter of neutralization in whose furtherance Moscow has been working hard and skillfully would appear on the horizon.

The essence, the heart and the soul of the European Community depend on the strength of the Bonn-Paris entente.

If the West German pillar were to give way in a certain manner the fate of Europe of the "Nine" would be sealed.

Any neutralization of the FRG would toll the death knell for European defense, of which Bonn is the main prop. Once the precarious balance between its NATO membership and its open-door policy toward the East, which Helmut Schmidt has maintained with praiseworthy tenacity, were upset in favor of the latter, the days of a free Europe would be numbered.

For it is clear that the Soviet leaders probably do not contemplate conquering it by force. They believe--and they are probably right--that the mere pressure at the borders by a Red Army quantitatively and qualitatively superior to the forces opposing it in the West would prove sufficient in the event of the FRG's capitulation to make the rest of the continent fall into its lap like a ripe fruit without any struggle.

[LD221711] Obviously, nothing irreparable has yet happened but it is better to realize what is in store.

And this is why whichever way you look at it the question of American hostages concerns all of us, even more than we imagine. This is why we are in close solidarity with them. And this is why, among other things, the PCF unreservedly supports Imam Khomeyni.

For the end of a world, our world, may well depend on all this. Will the Iranian cancer one day gradually consumer Europe?

CSO: 3100

ROLE OF COMMUNIST DEPUTIES IN COMMUNE COUNCILS EXAMINED

LD211629 Paris L'HUMANITE in French 7 Nov 79 pp 1, 3 LD

[Article by Madeleine Vincent: "The Communists in United Communes"]

[Text] At a meeting in Nanterre in June 1977 after the commune elections, the communist elected representatives drew up a document which the party Central Committee then adopted. That document contained primarily the following line for communist deputies whether they be in the majority or minority in the united commune councils elected in March 1977.

"The communist councillors scrupulously respect solidarity in administration which is not unconditional but based on these programs (the programs on which the union candidates asked the voters to give their verdict). They take account of the duties involved in this alliance, considering that the first is to respect the promises made to the people. They are in favor of the discussion and consultation vital to a sound application of those promises. The definition of the best solutions and efficacy in action presuppose the constant search for citizens' participation in drawing up and controlling decisions."

This fidelity to promises made to the voters in 1977, this constant concern to place their spirit of initiative at the service of the people's interests, their devotion and their will for union have guided the activities of the communists since then. The PCF and the communist councillors have not changed and do not intend to change that policy.

On the contrary the 23d congress commits them to ever greater efforts to help defeat the policy of austerity and of limiting the prerogatives of communes and councillors followed by the Giscardian government. The party's 23d congress appealed to their combativeness, their innovating spirit in order that new social and democratic rights and further progress toward commune self-management be won by the people's action. That is in keeping with the programs of the 1977 union candidates in all respects.

Despite that attitude some problems have arisen in several communes during the past few weeks. We do not intend to portray them, as others have, as a generalized phenomenon but it is appropriate to pinpoint responsibility for them so as to overcome them more easily.

Do those problems arise from the communist councillors' refusal to take their share of responsibility in commune administration as Pierre Mauroy suggested with reference to the Lille PCF councillors a few days ago? Those councillors replied in the appropriate way. Let us repeat that the communist councillor is to be found wherever he is summoned by the mandate he has been given by the people. He embodies constructive proposals drawn from his close relations with workers in enterprises, the population in the various districts and with associations.

Nor do those problems arise from what Francois Mitterrand, speaking at a meeting of socialist representatives when he accused us of breaking the 1977 agreements, called: "The hackneyed fanaticization of the terms used by the communists."

At the appropriate time we expressed our desire not to transfer the fundamental disagreements resulting from the Socialist Party's [PS] decision to break the leftwing union to the commune councils. We still intend to abide by that line. However, it has to be admitted that the PS swing to the right has repercussions at commune level.

When socialist councillors passively accept restrictions on heating in schools and creches and fuel price increases imposed on the communes by the government and oil companies; when the socialist councillors support the government's inhumane measures in hospital administration councils; when they increase local taxes disproportionately and without calling for action they are providing the consensus which Giscard's government is seeking from elected representatives. Surely in that case fidelity to the promises made to the population requires the communist councillors to explain the harmful consequences of the government's policy which is aggravating the transfer of charges and limiting the communes' financial resources and rights? Surely their duty is to formulate proposals for struggle--proposals which they want to be realistic, constructive and devoid of any demagoguery. Some socialist mayors have used such facts as pretexts to remove communist councillors in several commune councils from their delegations. I defy Francois Mitterrand to cite a single case in which a communist mayor has acted likewise.

The resolution passed at the recent congress of socialist representatives shows that such practices will no longer be accidents but the rule for socialist mayors since they seem to want to replace discussion with threats. The resolution reads: "Communist councillors must vote for the budget of socialist mayors on pain of placing themselves in the position of withdrawing from the delegations by abstaining or voting against the budgets." That is diktat. On the contrary does the democratic rule not demand that, in the face of each problem in keeping with the program ratified by the population, we should seek the best means of opposing Giscard's anticomune policy?

[LD211631] In such a situation the communist councillors have a particularly important responsibility in implementing the union policy advocated by the party's 23d congress.

They are working tenaciously to implement the programs on which they were elected. That is particularly vital since the government which services the big companies hits the workers hard in their employment, their health, their standard of living and living conditions. Many examples prove that it is now possible to defeat the government and obtain the means of improving life in the communes by the specific actions of the councillors combined with the action of those concerned.

Whether in the majority or a minority, the communist councillors constantly try to improve their democratic approach by informing and consulting the inhabitants and by taking account of the demands expressed by the many actions taken by workers in enterprises and districts in determining the commune's objectives.

Communist mayors inspire the democratic life of their commune office and council, trying constantly to extend their prerogatives which Giscard's government intends to curb. When in a minority their ambition is to effectively carry out their mandate and to successfully promote measures in keeping with the interests of the inhabitants of their city. Deputy mayors and commune councillors devote the resources of the delegations allocated to them to that purpose. The population is aware of the importance of its part in running commune affairs. Witness the protests which forced socialist mayors to abandon some of their arbitrary decisions.

It is with this constantly enriched democratic approach that the communist councillors intend to help maintain the union in communes and to defeat divisive maneuvers and attempts, in violation of the 1977 agreements, to strip them of the responsibilities which universal suffrage ratified.

As can be seen, the activities of communist councillors to defend the 1977 union agreements in order to implement the agreed programs calls for close attention from party organizations and their leaderships. That attention will not be expressed in the style of the socialist councillors' congress whose resolution I quote once again: "The socialist councillors are concerned about the consequences--which are difficult to control at local level--of the PCF pursuing its campaigns of systematic denigration and dangerously aggressive behavior toward socialist militants."

The PCF does not confuse the role of the PCF section and federation and that of the commune department council headed by a communist mayor or president and of communist councillors in the leftwing union commune council.

That means that councillors have their own function. It also means that the party and its organizations will never give up the development of their own activity.

That is in keeping with democracy, with the interests of our cities' populations and also with union in the commune councils.

COMMUNIST DEPUTY CRITICIZES FRENCH DEFENSE POLICY

LD211639 Paris L'HUMANITE in French 7 Nov 79 p 3 LD

[Report by Magali Jauffret: "Defense: French Interests Sacrificed"]

[Excerpt] The defense budget adopted yesterday by a majority of the assembly's deputies totals FR88,601 million that is a 14.9 percent increase which is a little more than the increase in the state budget. Including pensions, the military budget totals FR105,404 million and is the highest state budget.

In the [National Assembly's] general debate Rene Visse demonstrated how dangerous this defense policy is, since it runs counter to the national interest. First he pointed out that "the implementation of a great national defense policy cannot make do with mediocrity in the living and working conditions of the personnel." He then protested against "the NATOized European integration of our defense policy," referring to the FRG Government's White Book which "stresses the negative results of joint arms production."

Rene Visse protested against the ideological campaign which "on the pretext of a growing Soviet threat aims to make our people accept that France can no longer insure its defense alone." "Those attempts," he said, "have the full and active support of your majority. They also have the ideological support of the noncommunist left which, I quote, does not believe in a national deterrent or thinks 'Europe cannot be built unless we lay the foundations for a joint European defense system.'"

He said that was the reason behind the Defense Ministry's go-ahead for the publication of the book "Euroshima" and pointed out that Mr Bourges' liberalism does not stretch to lifting unjust sanctions against the trade unionists in the arsenals and the conscripts or to giving the soldier and sailor a democratic statute guaranteeing his citizen's rights in the army.

On the other hand he said that "the enormous build-up of means of destruction by the two blocs should lead the nations and especially France to take bold initiatives in the sphere of disarmament." The communist deputy

explained "that this defense policy is part of the government's general action aimed at defending the interests of a few big French-based multinational enterprises." He gave as examples the fact that our nuclear force has been added to the NATO arsenal and also that the United States is preparing to install new missiles in Europe. He mentioned France's neocolonialist policy in Africa, recently highlighted by the Bokassa affair.

Taking the example of the national navy which "will not be a sea-going fleet in the year 2000 as had been announced," he demonstrated that "the redeployment of the multinationals is accompanied by military redeployment."

CSO: 3100

FORMER COMMUNIST EDITOR DISCUSSES NEW POLITICAL ORIENTATION

Milan IL BORGHESE in Italian 23 Sep 79 pp 201-203

[Interview with Ricardo Paseyro, editor in chief of the rightist French magazine CONTREPOINT, by Aldo di Quarto: "The Liberal Right Is Even 'Newer'"; in Paris, date not given]

[Excerpt] A poet, journalist, former diplomat, special correspondent for AURORE, and editor in chief of CONTREPOINT, he went from Neruda to D'Annunzio, from communism to freedom. A battle against the servility of the "bureaucrats of art" and the "false intellectuals."

Paris--As a former Uruguayan diplomat he is known in Paris and in all the chancelleries of Latin America. As a poet he is known in Europe and the Spanish-speaking countries. As a journalist he has a prestigious name. As foreign editor and special correspondent for AURORE and editor in chief of the magazine CONTREPOINT, Ricardo Paseyro, now a French citizen, he has been for years at the center of lively cultural and political debates. With him as with Jean Cau, the left will not forgive his desertion from its ranks especially because he has not consigned himself to silence and oblivion but rather has gone on the counter-attack from the "other side." Lucid, always smiling and optimistic, a good speaker, an aristocrat in dress and speech, Paseyro defines himself as a "fighting liberal," a matador.

"Am I proud or afraid of being accused of being a rightist? Never! Rather, I am proud of having been able to become one on my own terms. There has been a lot of talk about the 'new right,' and well there should be. But ours is an even newer right, a sounder one because we have been on the left, we have gone to embrace Stalin and his hired poets and his artist bureaucrats like Neruda, Jean-Paul Sartre and all those people we were later to discover to be dishonest, immoral, and false."

It is not easy to interview Paseyro. Like a good journalist, he tends to do everything by himself, not leaving you the time to formulate your questions.

But what is CONTREPOINT, that authoritative and important magazine, which, judging by what is said on the left, goes beyond being a simple intellectual journal and is thereby accused of representing a new liberal family, a current of thought that is attracting attention in France. In short, is it an ally of the "new right" in the sense that it intends to demolish the cultural monopoly of the left, especially since Paseyro has become editor in chief?

[Answer] It's simple. CONTREPOINT is nine years old and will soon have a Spanish-language edition in Madrid. How did the magazine get started? By an act of courage and revolt, a kind of revolt against the 1960's on the part of some young students and intellectuals following the idea of Salvador de Madariaga and grouped around Raymond Aron. I don't deny that when I came to the magazine, I gave it the impetus it needed and made it into a rallying point of anticomunism against the enormous danger of the Red Army throughout the world together with its Euro-Arabo-Asiacommunist fifth column. There is no need to be fascist to be anticomunist. The accusation of fascism is now the left's best alibi for its intolerance of those who don't fall in line and bend the knee to it. That is why CONTREPOINT has opened its pages to everybody, to an Augusto Del Noce as to all the oppositionists of the East, to an Ernst Juenger as to a Boris Suvarin, to an Ion Vianu as to Giovanni Allegra, to a Kostas Papaioannu as to Jacques Richard, to a Thomas Moelnar as to Toshihiko Izutsu, etc.

[Question] What has been your personal ideological-political experience?

[Answer] I am the son of well-to-do Uruguayan bourgeois and went into politics in the communist ranks.. I was in revolt against the social injustices that I saw about me. I dreamed of the "city in the sun," and the "early paradise." I still dream of them, but in an opposite sense. I was born and will die a poet. I grew up a poet in the world of Neruda. I came out of it into the world of D'Annunzio. In short, I was a good communist, Stalinist and Marxist youth, and as such I was invited to communist countries, to Moscow, to Prague, to Budapest, along with Asturias, Neruda and a number of others I then considered my teachers. But when I came back from those countries, where I had listened to, read, and observed "socialist realism," it occurred to me that my poems were in fact not printed out on the Marxist and Stalinist computer but came from my own state of mind, from my personal, intimate revolt against a certain typically Latin-American society. I began to discover the old communists' hypocrisy toward dictatorship: silence. They knew all about Stalin's crimes and kept silent out of opportunism. I began to discover the communist riffraff in the Spanish civil war and the Italian civil war, and I wanted to talk to the senior communists, with Neruda. I was disgusted when I heard their lies and their silence and saw their servility. I did not believe in committed art, in "socialist realism," and when I realized that even a Neruda was part of that tightly knit group of communist art and literature bureaucrats, it was a crisis! Yet when I came to France I was still a man of the left. I was no longer a Marxist, and Paris was going through its existentialism with LES TEMPS MODERNES of Jean-Paul Sartre. I still believed in the myth of the left. But even in France, what disappointments in the space of a few years! The moral poverty and the ignorance of the left were to give the

final blow to youths like myself, Jean Cau, and so many others. I personally discovered two vital things. First, in Europe the left did not know the facts about Latin America. Second, we, on that continent, did not know the facts about Europe. Everything was being falsified by the left in Europe and also in Latin America. Therefore the break with the intellectual falsifiers was logical, fated, and final.

[Question] Was that when you began to think things out for yourself?

[Answer] Breaking with the left and especially with socialism, which I had spontaneously gravitated to, after the divorce from Marxist communism, meant (though I did not know it at the time) putting myself in a position of awful isolation and scorn, where many intellectuals of the left let themselves be blown by the wind, begged pardon for their pasts, and returned bag and baggage to the triumphant left. On the other hand, few had had the courage to go the other way, i.e. to hunger, silence, and censure. While our migration to the right demanded painful, personal suffering, the movement of many people to the left was made much too easily, hypocritically, and opportunistically. Thus, after I had realized the failure of communism, I was to realize the servility of socialists in the confrontation with communism, their political, psychological, and intellectual capitulation at the feet of the communist parties of the Latin countries, especially in France and Italy. Today, in Spain and Portugal, the communists have not managed to subjugate the socialists because many of us have had great intellectual influence in the post-Salazar and post-Franco periods.

[Question] How would you define yourself today?

[Answer] I am not proud to call myself a man of the right because now, as ever, the left means dictatorship, and therefore the new resistance comes from us of the right. The left, whether communist or socialist, has always meant dictatorship: Fidel Castro, Nasser, Boumedienne, the colonels of Baghdad, Tito, etc. A dictator of the left is a good dictator! A dictator of the right is a bad dictator! If the bayonets are red, hurrah for the bayonets! If they are not, then down with them! The main characteristic of the left intellectual is moral irresponsibility, because he risks nothing and, moreover, cares nothing about the consequences of what he writes. All that has not happened in France aside from the short parenthesis of 1968 and that has been happening in Italy for years is the proof of it. In politics, too, the left intellectual is hypocritical and immoral. When things go bad, as in Vietnam, Cambodia or wherever, he is ready to say, "We didn't want that!" That is too easy. The left intellectual is also irresponsible in his esthetic attitudes. His merchandise is damaged, everything is amoral, immoral, sickly, more than pornographic, demented. Filthy lucre, which is theoretically rejected and combated in the name of Marx, is actually worshipped and accepted by all the left intelligentsia and the "golden left" of the salons, villas, and palaces. When people like Guardateli sign contracts with the cinema, television, or publishers, they say, "If one lira is missing, I won't do any more work."

[Question] How do you define this revolt of the right?

[Answer] On the right there is a renewal, an intellectual quest for a new culture, which is the work of courageous people that have dared to do what no one else had by demonstrating critical sense, realism, discernment, and intolerance for cultural terrorism from the left that hides behind the alibi of antifascism and resistance. In other words, the right is moral because it lives in a manner consistent with its ideas, which are varied and diverse but imbued with solid, sound principles. And, moreover, the right has the honor of being poor. The "new right" is an interesting phenomenon even though, as I have said, there are now a lot of people on the right. But the expression "new right" seems to me more an alibi for the left and its failures, and something to scare people with and feed the myth of the peril on the right than it is something new. Reality aside, i.e. the real, mortal danger today is the red peril, I would say that the newest right today is we who have come from the left. That is why the left speaks out against us more than against an Alain de Benoist, who has always been on the right.

[Question] What do you think of the accusation of "neofascism" that has been made, as always, against the new movement and men like Pauwels and Alain de Benoist?

[Answer] The quest of this "new right" and its philosophical conclusions are in fact not neo-Nazi or antidemocratic. It is simply ridiculous to accuse these intellectuals of being Hitler nostalgics when Nazism is dead and buried under the ruins while the vacuum it left has been filled by Soviet communism. This is the real danger. Thus, the fact that the left is accusing us of that pleases us liberals of CONTREPOINT and the so-called "new right" because we well know that the right will not engage in intellectual terrorism. The left has been holding that over our heads for the last 30 years. No more of that!



Ricardo Paseyro

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CSO: 3104

COMMUNIST D-12 ACTIONS ATTEND JOC NATIONAL COUNCIL MEETING

Paris L'HUMANITE in French 2 Nov 79 p 3

[Article by Jean-Luc Mano, L'HUMANITE special correspondent]

[Text] The 55th national council of the JOC [Christian Workers Youth Organization] opened yesterday, at Saint-Etienne, 1 November 1979.

More than 200 delegates of the Christian Workers Youth Organization have convened since yesterday morning in Saint-Etienne for the national council meeting of their organization.

Their work agenda includes a review of the movement's past activity and its orientation for the next two years.

For its part, the Christian Women Workers Youth Organization is also holding its meetings.

But there is a new development; several joint sessions are scheduled for the 4-day program.

"Fitters," "cabinetmakers," "managers"--the list of occupations engaged in by the members of the national leadership of the JOC that were announced yesterday morning to the delegates of Saint-Etienne leaves no doubt concerning the JOC's adherence to the labor movement.

In more than a half century of history, the JOC has become one of France's most important youth organizations. Particularly active in the labor world, it gathers most of its forces from areas where there is both an important working class presence and a strong Christian tradition. Today this organization defines itself as an organization that is struggling alongside organizations to which the working class has pledged itself and even publicly invites its adherents to join--all of that while still preserving positive relations with the bishops and the entire French clergy.

In the hall were young, tired workers—attentive, and almost studious. Chosen by the JOC federations, they gave up their All Saints' Day weekend to come here to discuss the problems of young workers and of the struggles that they are carrying out. But fatigue was offset by an enthusiasm that was expressed constantly at the roll call of each region, as in the case of applause for labor union delegations, notably those of the PCF [French Communist Party], for the team of working priests, and for our newspaper, L'HUMANITE.

Another expression of the link with the labor movement was that the 55th national council of the JOC opened to the sound of the "Drapeau Rouge" [Red Flag], written by P. Brousse a little after the Paris Commune and joined in by the 200 standing delegates.

Gaby Bonnard in fact recalled that during the 52 years of its existence, the JOC had "always adopted orientations that were in keeping with what the working youth envision and with their plan for total freedom." Then the president of the JOC stressed that it is important for the movement to "go to the young people of the working class, to take a stand where the young workers are undergoing the greatest exploitation, where they spend the greatest part of their life." Then he examined the situation of the young people, saying: "There has been an increasing deterioration in the situation of young workers during the past 3 years. Again this year the start of the school year costs working families a great deal. In the lycees, classes are overcrowded, the LEP's [Electronics and Applied Physics Laboratory] are paralyzed. One idea is paramount with the leaders: adapt education to the needs of enterprises. However, he continued: this worsening of the situation did not demobilize the working youth, the working class. Some rays of hope are kindled by the struggle of the workers with their organizations." Placing the perspective of the JOC around three themes—that of "listening to the young working people;" "offering it action with the entire labor movement;" and "heading it in the direction of living Christianity," the leadership of the JOC invited the delegates to active participation in the debates.

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CSO: 3100

GAULLIST CALLS FOR FRANCO-GERMAN PARTNERSHIP

Paris LE MONDE in French 10 Oct 79 p 10

[Article by Alexandre Sanguinetti, former minister, former UDR (Union of Democrats for the Republic) deputy: "Taking the Risk of a Franco-German Europe"]

[Text] It was no surprise whatever to see two members of the Assembly of the European Communities--one a British Conservative, the other a German Christian Democrat--immediately raise the issue of European defense, no sooner had they been elected. They did this indirectly, of course, by raising the issue of the European arms industry which they would like to coordinate with NATO. Such coordination would mean the end of the bi-lateral agreements concluded between France and certain European nations for the production of military equipment. It would also mean NATO's, i.e. the Pentagon's, seizure of definitive control over all arms in Western Europe. This move by the two members, its immediate endorsement by their European colleagues, with the exception of the majority of the French members, and the vote that followed, were all perfectly consistent. All countries of the EEC, of which the Strasbourg assembly is the representation, belong to NATO, except France. Because of their political philosophy of renunciation, they cannot help but want to see us join them.

Our behavior disturbs their clear conscience. And they are comforted by the support given them by a minority of the French members of their common assembly. As long as the French Government remains true to its statements and its word, it remains master of France's defense along with the French Parliament, and the European Assembly's maneuvers are of no real importance. But the French Government will have capriciously complicated its problems and policy, as many of us had predicted.

Stating that it wanted to build a confederal Europe, the government agreed to endow that Europe with federal institutions. The Assembly of the European Communities does, of course, have powers defined by the Treaty of Rome. The low regard the assembly has for those powers has been obvious from the very outset.

How could it possibly be otherwise? Its direct election by universal suffrage gives the assembly a legitimacy it intends to use to increase its powers and assume a political role. It is encouraged in this by its president--and by its UDF [Union for French Democracy] members--who in the name of democracy and majority rule considers herself incapable of reminding the assembly that it is exceeding the treaty, scorning the provisions there of which limit its powers, and conducting itself as a "parliament." The president is personally so convinced of this last aspect that she confers the title of "parliament" on the assembly, and hence on its functions, in all of her comments.

This is enough to make us perplexed about the government's real intentions, especially when we know the bonds that exist between the government and the assembly's president. It is normal, however, for the behavior of this assembly to be prompted by majority rule, a rule which any election by universal suffrage implies. This is the end of the unanimity rule accepted by Europeans in 1962 through what was called the Luxembourg compromise. The presence of the British can now only accentuate this development. We shall thus shift from the practice of settling disputes by compromise, and hoist on our own petard, we shall yield or we shall filibuster.

If only, at least, we were dealing with a united Europe! But there is no greater fallacy than the one of labeling the Community of Nine as such a Europe when "Europe" is simply a geographical term encompassing the nation extending from the greater Russian Republic to the Atlantic and the Mediterranean.

American Wing

The European Community is the community of those countries that have taken refuge under the American wing, countries that, because of their economic and financial interests, their laziness, cowardice, fear, and inability to conceive of any way of life other than the American way, have woven close ties with the United States, ties they do not want to break under any circumstances, ties of dependence. France is still free of such ties because of certain aspects of its policy, because it is the only one to still have a policy, but for how long to come?

The United States maintains its stranglehold over Europe by security-related blackmail, because Europeans have become pawns in the dispute between the two sides of the Iron Curtain. France, and France alone, wants to set the example, but this is difficult.

And what if all this were to prove that there is no Europe and can be no Europe such as the one we intend to build?

Europe could be built only by a dominant power accepted by the others, as is the rule in history. But there is no existing dominant European power.

That is why the United States and the Soviet Union fill this role. We are the Greek city-states conquered first by the Macedonians and later by the Romans, because Athens and Sparta preferred to fight each other and neither one was able to federate Greece.

Many persons will shudder with disbelief upon reading these lines. How can anyone possibly accept such an idea in present-day Europe, a Europe dedicated to equality and democracy? Because we have been accepting it every day since 1945 from powers outside of Europe, and because the letter of democracy does not replace the spirit of democracy.

Democracy means freedom of the citizen, and such freedom exists only within the independence of his nation. Independence is self-awareness, the will to use that awareness, and the capability of contributing as much as or more than we need to receive in all of the spiritual and material realms. Western Europe is not in this situation, nor for that matter is Eastern Europe. We depend upon others for our existence, and that is enough to make us proteges.

There has never been a political Europe since the time of Charlemagne, although there have been conceptual Europes and a concert of nations which World War I destroyed. All attempts to unify Europe by force have failed. Because for 1,000 years the problem with European unity has been the Franco-German "couple." This was also General De Gaulle's view. Under various names and with various results, France and Germany quarreled for 1,000 years, during which time both countries also slowly developed, Lothair's legacy and domination, the nation versus the Empire. The other powers existed only through their participation in this quarrel, on one side or the other. Since the 16th Century, Great Britain has endeavored only to stimulate this quarrel so as to prevent anyone from winning it.

There never was a Europe. At that time, however, "Europe" was the world. Today, it represents a numerical minority amidst the tide of Third World and Fourth World peoples. It must become unified as such. It must not do this under the aegis of America or Russia. It will be able to do so, not by the illusory proceedings of an assembly, a veritable flock of "Banda-Logs," but by rallying round a nucleus that makes it conscious of its own strength and capabilities, and gives it self-confidence.

Center of Attraction

This nucleus or core can only be the Franco-German couple, freely associated but not merged. We have no reason to disavow our tremendous quarrel which, in the context of its time, was neither mediocre nor absurd. But that quarrel did prevent the building of Europe. Our present harmonious relations may now permit us to create it at long last. Our historic dispute, no matter how dramatic it may be, cannot prevent the real facts from emerging at the present time. The first such fact is that the Germans, the "Hermanos" of the Spanish, are our closest relatives. This is

difficult to admit after so much blood and devastation, but the worst tragedies are family tragedies. And France has as much German blood as Celtic, as much Gallo-Roman blood as Latin. This has made us into an explosive mixture and the only successful Europe.

Europe will not be built in any other way than by our couple. Separately, we will not convince the others, but together we could do so. We will not see Europe emerge from a preliminary and resolute agreement between the Danes and the Calabrians, the Irish and the English, the Flemings and the Walloons, the French and the Dutch.

What is needed is a center of attraction that counterbalances the weight of the United States and can gain the respect of the Soviets who always shrink from anything resisting their expansion, simply as a precaution.

The Franco-German couple meets the required conditions of such a policy. Except for one reservation, but it is a "whopper," namely that nobody wants to have anything to do with it, not the Russians, not the Europeans, not the French, not the Germans.

It stands to reason that the Americans and Russians should feel this way, because such a move would challenge the leaderships they jointly established at Yalta and which, by their objective complicity, has enabled them to dominate Europe and the world. All they really have left is Europe. Hence they are especially desirous of retaining that leadership over Europe.

Small and medium-sized European powers prefer a protector who is clearly very rich and far away, one that allows them to feel somewhat free and does not bother them every day. They prefer such a protector to the presence of a nearby European couple that history has taught them to mistrust and that could draw them into paths demanding a degree of determination and ardor that tires them in advance. And as in a harem, each one hopes to find special favor with the sultan.

Great Britain, linked by a common language and by sea routes to other English-speaking insular nations, is the vanguard of this very specific group and is in the European Community solely to thwart it.

Italy is a world apart and defies logical analysis.

France simply cannot rid itself of its 1940 complex and its historical memories where Germany is concerned. It does not feel capable of holding its own against Germany or of equaling it, the first condition of any partnership. France is afraid of crossing the Soviets because it has an unreasonable and unrealistic fear of them, and at the same time counts on them to suppress any increased power of the Germanic community, beginning with reunification. We are adversaries of the Soviets for reasons that are not all unmixed. We are their objective allies against what we still consider to be the German peril, because for a long time now we have no longer been able to think of the present and the future.

Then there are the Germans themselves. They are the European paragons of the liberal economic society that befits them, but a society which many of us reject because of its moral consequences and the submission to outside powers it imposes. But at the same time, these Germans suffer from their complex of 1945. They are fascinated by the United States whom they consider their real conqueror in the two World Wars. They unconsciously or consciously despise all those Europeans they so easily defeated, or who abandoned them when their cause was no longer victorious. They are in terror of the Soviets, whom, however, they sometimes make forget that Germany was their aggressor.

The Germans still like the status quo in NATO Europe, even though they no longer have much faith in American protection. That is why they virtuously refuse nuclear weapons, even though there is no other means of defense if an army does not want to be merely a foreign cause's auxiliary troops. A nuclear capability is much more than a defense, which is merely a static view of our fate. It is an essential means of asserting, with the moral force we have lost and must regain, Europe's presence and importance in the world vis-a-vis the blocs, the superpowers, and the Third World's human tide.

The FRG could replace its present policy by either one of two possible alternatives. It could withdraw from NATO some day through a sort of Ribbentrop-Molotov pact, as it did at Rapallo, and negotiate its reunification in exchange for its neutralization--a way for the FRG to revive Bismarckian policies--thereby throwing us back to the far edge of Europe and preventing, once again, the latter from existing. A fear reflex would cause us to throw ourselves into America's arms once again.

Or else the FRG could leave NATO and form with us that partnership I call the Franco-German "couple," and without which there is nothing but false pretences, lies, verbosity, and no viable Europe.

This partnership would be a great risk. Yet every great policy is a risky policy. Furthermore, it is high time for us to learn how to take risks in order to live again. France is weakened, diminished, and anesthetized, but it can still determine its own destiny because General De Gaulle showed it the way. It must adopt this policy and this view of the world. We shall not build Europe by means of the European Economic Community, a body without a will of its own, subjected to all types of submission, and waiting for others to set the example.

France will convince Germany and the others only by being exemplary in its determination in all fields, exemplary in the answers it will contribute, as it has been able to do in the past, to the fundamental questions confronting mankind and the nations of the world. This is still the best way to extricate ourselves from our state of "disenchantment."

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CHAIRMAN OF DEFENSE BUDGET COMMITTEE INTERVIEWED

Paris AVIATION MAGAZINE INTERNATIONAL in French 1-14 Nov 79 p 17

[Interview with Jacques Cressard, chairman of the Defense Budget Committee, by AMI: "Since 1977, Arms Purchasing Power Has Sharply Declined"--date and place not given]

[Text]

[Question] According to Yvon Bourges, since 1976 the international context has not justified important changes in the defense orientations of our country. In fact, the defense budget percentage of the national budget has continued to decrease since that year, to arrive at 16.7 percent this year, instead of the anticipated 20 percent. What do you think of that?

[Answer] While the analysis made the government in 1976 remains correct, it is nevertheless necessary to express shades of difference. It is of course true that the international context has not changed significantly. But let us say that there is a certain distortion in the direction of a greater uneasiness. In fact, on the one hand, the socialist bloc has considerably increased its military power; on the other hand, the Near East is still unstable. Finally, the weight of the Third World has also substantially increased. In short, one may ask oneself questions...

And with regard to the percentage of the defense budget compared with the national budget, there is actually a downward slide with regard to the law of distribution. The government explains this by recalling that budgetary structures have changed since 1976. In referring to the list of payment credits anticipated for the duration of the distribution, it each year follows the indicators in this list: but since the monetary trend is stiffer than anticipated (10 percent instead of 7 percent), there inevitably, and above all, is a loss in the purchasing power of the military forces.

[Question] As a matter of fact, halfway through the law of distribution, covering the period 1977-1982, the main objectives that were determined seem to have been attained. But is another 2-year extension necessary?

[Answer] While it is true that the main portion of the objectives has been reached, the law of distribution still suffers from the economic crisis. Thus, in a budgetary report for 1980, I stated that it may be considered that the loss of purchasing power in the case of the military forces will be about 5 billion F.

Should the government therefore have to make a supplementary outlay? That depends on the economic environment. Naturally the government makes an effort to affirm the law of distribution and to not increase the initial slowdown. But will it be able to make the needed effort to thoroughly apply this law? I believe that it is up to the minister of defense or to the minister of the budget to answer this question.

[Question] The competence of the Defense Committee has recently been the subject of disputes, in particular regarding the fact that parliamentarians are cutting the allotment of certain credits for projects with which they do not deal. What do you think?

[Answer] My colleagues in the Defense Committee work as I do. When they have to make a report on a defense matter, they ask a certain number of questions of the minister in charge, who answers them. It is on the basis of these answers that we make our analyses.

I believe that if the government wants good analyses, it must give good answers. But I must say that sometimes we are worried by the fact that the answers that we receive are not completely satisfactory. And it is sometimes in the "specialized literature" that the Ministry of Defense publishes that one can find the answer to a question that was previously asked. So, I do not believe that it is in the interest of the government to question the intellectual honesty of parliamentarians. Because we trust the work efficiency and the intellectual honesty of the government. If the opposite were true, it would be good for democracy.

[Question] According to the aeronautical industry, the Hannoun report is very strongly backed by the state. Most of the credits allotted to it are connected with military programs. Do you think that those credits are sufficient or insufficient, properly or poorly utilized?

[Answer] While it is a fact that there have not always been enough credits, the outlay for the 1980 budget for the Air Force attests to the desire of the government to make up for a certain lag. Moreover, if the main military program now in progress, that of the "Mirage" 2,000, lags somewhat, it is essentially because of difficulties concerning rectifications, with credits seeming to be perfectly available. Consequently, when the prototype is perfected, mass production should be quickly realizable.

In addition, these credits seem to me to be very correctly used. To be noted, I believe, is that the Air Force is the military force that perhaps knows best how to use the credits at its disposal. And as the chairman who is specifically charged with these budgetary matters, I have no criticism--just the opposite--to make of the administration of the Air Force.

[Question] At the time of the 1979 budget meeting, the Finance Committee had asked that a study be made on the impact of defense expenditures on industrial activity. What about that study? Is the committee satisfied?

[Answer] The committee is not satisfied. In fact, I asked the Finance Committee to address an observation to the government, in which I regretted that the report that was submitted to parliament with regard to the law of distribution does not include any real information regarding the economic, social, and industrial consequences and those of the expenditures for military research made from 1976 to 1979. And unfortunately one has the feeling that there is a lack of interest in the matter on the part of the public authorities.

[Question] The French aeronautical industry is a big exporter of materiel, to the point that the French military forces are no longer (and by far) its chief clients. Its objectives are therefore linked to a compromise between national needs and those of the international market. The state has been induced to support that industrial policy. What does the Finance Committee think of that?

[Answer] The matter must be viewed a little differently. As a matter of fact, the Air Force's market is not limitless, and profits from a new kind of plane of necessity must result from exports. Also, I do not believe that our own defense production is being sacrificed in favor of exportation. It seems to me that the objective rather should be to earnestly reduce costs through the expedient of an exportation policy that appears correct to me.

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CSO: 3100

DIPLOMACY OF ARMS SALES VIEWED, DISCUSSED

Paris LE MONDE DIPLOMATIQUE in French Sep 79 p 22

[Article by Charles Zorgbibe]

[Text] In the past arms sales often had a political significance. They reflected the general disposition of forces, revealed the formation of coalitions or the extension of zones of influence, confirmed the staunchness of an alliance. Did not the only remedy for inequality of forces within an alliance reside in a sharing of weapons? France gave financial support to Russia prior to 1914 so that it could increase its military potential; the United States sold (and gave) weapons to its allies during and after World War II...Even today, the exportation of armament can take on great diplomatic importance. In 1955, the contract to supply weapons concluded by Czechoslovakia and the government of Cairo announced and symbolized the rapprochement of Nasser's Egypt with the socialist camp, the irruption of the Soviet Union in the Near East, until then the game preserve of the West. Since 1966, French arms sales have been the direct consequence of the diplomatic and strategic choices of France. The withdrawal of the integrated military organization of NATO constitutes a handicap for exportations to the allied countries, as shown by the vicissitudes of the "transaction of the century" for the replacement of the Starfighter planes, whereas the adoption of an independent military policy favors commercial relations with the countries of the Third World that prefer not to resort to superpowers; in 1979, the China of Deng Xiaoping, by means of arms purchases from the Western powers, tried to concretize its "common front" policy against Soviet social-imperialism, the new metamorphosis of the theory of the three worlds...

However, a novation occurred in 1945. One of the paradoxes of the atomic weapon was the implicit admission, from the outset, of the principle of nondissemination, even if it was not always strictly applied, as evidenced by the facilities obtained from the United States by Great Britain; and also, in 1957-1959, from the Soviet Union by China. In the long run, such a situation can have repercussions on the very concept of alliance. In 1963,

the United States thought it had found a moderate solution, excluding both total nondissemination, not very realistic, and total dissemination, dangerous for the future. It was a question of making of NATO, collectively undertaken, a new nuclear power through the establishment of an integrated Atlantic force². In reality, by means of the multilateral force project, the allies of the United States obtained, in exchange for an expenditure of more than \$3 billion, a simple right of veto over 3 percent of the American nuclear force. In the East, the Sino-Soviet alliance split over contradictions in the nuclear era³, with Khrushhev's denunciation, in June 1959, of the secret accord of 15 October 1957, in which Moscow promised the Peking government to furnish it with the technical aid needed for the manufacture of the atomic weapon.

Today, the economic and social function of arms sales sometimes seems to prevail. In France, public authorities put the emphasis on the economic benefits that the exportations of armament provide and stress the purely commercial nature of the transactions. The trade union confederations, themselves, are divided between the desire to denounce the "dealers in death" and that of protecting the interest of their adherents.

More generally, since the "earthquake" of October 1973, the Western countries--in particular the European countries--have resorted to several means to reduce the impact of the increase in the price of oil on their balance of payments, including significant deliveries of war materiel to the countries of the Near East, indeed even promises of nuclear reactors sales to Arab countries and to Iran. But, whatever the economic and commercial motivations for the exportations of armament, their political and diplomatic incidence cannot be overlooked.

The accumulation of armament in the Near East must be interpreted as a factor of tensions, a ferment of conflict. In many parts of the Third World, the acquisition of large-scale materiel can introduce elements of instability in regional balances⁴. And the provision of civilian nuclear technology can foster the proliferation of the military atom--especially when the eventual purchasers are not part of the nonproliferation treaty, and from the fact of deficiencies in the control system of the International Atomic Energy Agency.

Must one be reconciled to a keen competition among the manufacturers of armament, aggravated by availability of the financial means of the oil producing countries and the need of consumer countries to export? Obviously a first solution resides in the responsible behavior of the main powers--that is, in the limitation that the exporter countries would impose on their own manufacturers. But statesmen and diplomats wonder--is it advisable to determine a pre-established policy? Sometimes a "shot at a time" seems preferable to them. And while many national controls exist--both in France and in the United States --only Sweden seems truly "to limit itself." In

addition, one must once more choose between an anarchic international society and a truly organized community of nations--that is, between individualistic proceedings and multilateral controls.

In the domain of the provision of nuclear technology, since the informal meetings in London and Washington in 1975, the seven main producer countries have succeeded in defining a code of good conduct, even to preventing an unlimited competition from fostering the proliferation of nuclear arms. A limitation of classic type arms sales arouses more skepticism: the SALT's have not led to a limitation of existing stocks and have not at all checked the qualitative race between the two nuclear protagonists for strategic armament. There is little chance that this pattern applied to conventional type armament will produce more satisfactory results. There is still the idea, introduced by the French disarmament plan, of a limitation of the volume of transactions resulting from regional agreements among the countries that are directly interested—purchaser countries, but also supplier countries. Nevertheless, a difficulty is foreseeable: it will be a question of establishing a level of armament consistent with the satisfaction of the security needs of the countries of each of these great regions of the world; thus, a delicate "optimum security threshold" will have to be defined.

FOOTNOTES

1. Jean Klein, "Commerce des armes et politique" [Arms Trade and Policy], POLITIQUE ETRANGERE [FOREIGN POLICY], No 6, 1976; and Edward Kolodziej, "Measuring French Arms Transfers: a Problem of Sources and Some Sources of Problems," mimeographed document, 1977.
2. Didier Truchet, "le Projet de force de frappe multilaterale" [The Multilateral Strike Force], PUF [FRENCH UNIVERSITY PRESS], 1972.
3. Mario Bettati, "le Conflit sino-soviétique" [The Sino-Soviet Conflict], A. Colin, 1971.
4. William Zartman. "Les transferts d'armements en Afrique" [The Transfers of Armament to Africa], mimeographed report on the Quebec symposium on international relations, 30 September-3 October 1976.
5. Andre Petit, "Le commerce nucléaire international et la non-proliferation" [International Nuclear Trade and Nonproliferation], mimeographed report on the above mentioned Quebec symposium. Cf also: Jean Klein, "Ventes d'armes et d'équipements nucléaires" [Nuclear Arms and Equipment Sales], POLITIQUE ETRANGERE [FOREIGN POLICY], No 6, 1975.

6. Jacques Sopelsa, "Le complexe militaire industriel americain et la politique exterieure de Jimmy Carter" [The American Industrial Military Complex and Jimmy Carter's Foreign Policy], revue DEFENSE NATIONALE [NATIONAL DEFENSE magazine], January 1979.

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BOURGES OUTLINES LONG-TERM NAVAL EQUIPMENT PLAN

LD231105 Paris LE MONDE in French 7 Nov 79 p 44 LD

[Report by Jacques Isnard: "FR55 Billion Will Be Allocated to the Surface Fleet Over 20 Years"]

[Text] Defense Minister Yvon Bourges announced the broad outlines of the long-term (1978-2004) national navy equipment plan to the National Assembly Defense Committee on Monday, 5 November. This plan--with a total expenditure of FR55 billion (1978 value) allocated to the combat fleet alone excluding the logistic fleet, the naval air service and strategic missile-launching submarines--makes provision for France to have 133 fighting and support vessels by the end of the century instead of the present 142 vessels.

This is the first time that the defense minister has informed the deputies who sit on the Palais-Bourbon Committee, of the conclusions reached on the question of modernizing the national navy by a defense council chaired by the head of state in 1978.

For 16 months the government had refused to inform deputies of the objectives set in the sphere of national navy equipment for the next 2 decades. Although the defense minister was anxious to explain at the Palais Bourbon on Monday, 4 November [date as published] that the term "navy plan" could not be used in this case, this new program of naval construction has been necessitated by the fact that the national navy equipment has aged since U.S. aid was given after the end of World War II and that, today, almost three-fourths of French ships are more than 15 years old whereas only half of Soviet ships and less than one-third of U.S. ships are that old.

Under Threat

It has become urgent for the government to plan the replacement of ageing vessels by specifying the type of ships which the fleet will have at the end of the century and the rate of new building, since the dockyards are taking an increasingly long time--between 8 and 10 years from the launching of a project to the ship entering active service--to devise [concevoir] a modern fighting vessel and since the ships built are, therefore, increasingly expensive.

Last July Mr Arthur Paecht, Union for French Democracy [UDF] deputy for [word indistinct] responsible for reporting on the application of the 1977-1982 military programming law, asked in vain for details from the defense minister on the June 1978 defense council's decisions on the navy. Last week Mr Rene Tomasini, Rally for the Republic [RPR] deputy for Eure and keynote speaker for the 1980 draft navy budget, threatened to submit an amendment rejecting the fleet equipment credits if the defense minister continued to refuse to inform the defense committee on this question.

On Monday, 5 November, Mr Bourges gave the RPR keynote speaker for the navy budget and, at the same time, all the deputies on the committee, the information which the RPR defense minister had not wanted to give the UDF keynote speaker for the military programming law. Defense Committee Chairman Gen Marcel Bigeard who is deputy (affiliated to UDF) for Meurthe-e'-Moselle furthermore reflected his colleagues' feelings by asking the minister to take the commission "into consideration" more and "inform it frankly of the real position on problems."

The navy plan which was drawn up last year does not take into account the money already spent from 1978 to 1980 for navy equipment. It also excludes investment allocated to the navy deterrent force which will comprise six missile-launching submarines after 1985.

One Hundred Thirty-Three Ships

The national navy which has hitherto had 124 combat ships and 18 logistic support ships is to have 112 combat ships and 21 support ships when its new equipment as planned for the period 1978-2004 is complete.

When the plan has been fully implemented the aim is for the combat fleet to have 3 nuclear-propelled aircraft carriers (in 1979 there are 2 conventional propulsion aircraft carriers and 1 helicopter carrier); 18 antisubmarine Corvettes (13 at present); 9 antiaircraft Corvettes (7 at present); 18 cutters (as against 24); 10 fast patrol boats (26); 40 minesweepers (as against 29) and 14 attack submarines including 10 with nuclear propulsion (22 with conventional propulsion in 1979).

The logistic fleet is to have 12 repair and maintenance ships and tankers (9 at present) and the same number--in other words 9 ships--of heavy transport ships and landing crafts.

Many deputies welcomed the government decision to maintain a naval air service fleet of 3 nuclear-propelled aircraft carriers even though the experts still do not know what type of aircraft, vertical or short take-off and landing, could equip those ships. They regard the government's choice as confirmation that the French navy is to remain a sea-going navy and not simply a coastal defense navy as some deputies had feared.

Keynote speaker Tomasini, on the other hand, regretted the fact that this plan provides for a major reduction in the number of cutters by the year 2000 (reducing the number by one-fourth) while the navy's public service and economic zone surveillance missions are tending to increase.

[LD231107] In the Framework of the Budget

This program represents a total expenditure of FR55 billion (1978 estimates) over the next 20 years excluding the logistic fleet and the naval air service. At present that sum is equal to half of the 1980 defense budget which is being submitted to the assembly for approval this Tuesday, 6 November.

In fact there is reason to think that the check will amount to more than that since parliamentary sources estimate it at more than FR76 billion divided as follows: FR37 billion for the surface fleet (specialized ships and accompanying helicopters); FR21.2 billion for the naval air service (aircraft carriers and their fleet of aircraft); FR9.3 billion for attack submarines and FR8.7 billion for marine patrol aircraft (new Breguet-Atlantic aircraft).

At the defense committee meeting on the eve of the National Assembly general debate on the 1980 draft budget Mr Bourges said, after giving financial details and detailing the type of ships planned and their rate of building, that the navy's modernization would be carried out respecting the existing annual defense budget framework without jeopardizing the financing of the other branches of the armed forces.

Those assurances perplexed many deputies who have not forgotten the failure of the last plan, known as the "Blue Plan" drawn up by Mr Michel Debre in February 1972 under Georges Pompidou's presidency.

CSO: 3100

MEXICO COOPERATING ON CHOICE OF NUCLEAR POWERPLANT

Paris SEMAINE DE L'ENERGIE in French 4 Oct 79 pp 9-10

(Text) —France is one of the three countries Mexico requested to conduct a study of feasibility which would be used as guide in the choice of a nuclear powerplant. As a result of the visits of Giscard d'Estaing and Giraud, leading in March 1979 to general agreements on scientific and technical cooperation in the energy sector (SE of 31-3-79), Sofratome recently signed with the Mexican Federal Commission on Electricity (CFE) a contract relating to the "Analysis of the Technical, Economic, Industrial and Political Implications Involved in the Adoption of a PWR-Based Nuclear Program."

The study of a Candu-based solution was entrusted at the same time to the AECL, and that of a BWR solution to ASEA-ATOM. These contracts, relating to advisory activities and worth several million Francs should be completed in a few months; for its part, Sofratome hopes to complete its activities in May 1980. Indeed, the Mexican Government is counting on making a definite decision in the choice of a nuclear powerplant before the end of 1980. The nuclear program may then be launched in 1981. The possibility is not excluded, that Sofratome might pursue its counseling activities in Mexico, in case the latter favored the PWR solution.

Sofratome is a consultant company specializing in assistance to foreign contractors for all peaceful uses of atomic energy. It has recourse to experts of two parent companies, EdF and CEA [French Electric Company and Atomic Energy] each hold 50 percent of the shares. Consulting activities range from feasibility studies to the choice of a site and may be continued during construction, the starting of the plants, and the training of the personnel.

Sofratome has just completed a feasibility study in Bangladesh for a 125 MW power station and is continuing the search for a site for a nuclear power station in Egypt. There is also a contract in force in Algeria, presently slowed down because of the ministerial reorganizations occurring in this country after the death of the President Boumedienne. This is also the project for a nuclear power station, with a power not as yet decided (600 to 900 MW).

Sofratome therefore represents France in the very severe competition facing the experts in nuclear technology in a market just beginning: that of the developing countries. The economic and feasibility studies conducted now for several still isolated projects might lead, for the period around the year 2010, to a very profitable export market for our nuclear industries. But many problems specific to these countries remain, including, in particular, the difficulty of assuring a satisfactory solution for the end of the fuel cycle, the inadequacy of the reactor size (most often, from 600 to 900 MW) for the national electric supply grids, and the problem of the training of the operators.

9018
CSO: 3100

PETROLEUM IMPORTS SEEN INCREASING

Paris SEMAINE DE L'ENERGIE in French 18 Oct 79 p 5

Text--According to the statistics of the CPDP expansion unknown, French petroleum imports increased by 13.8 percent during the first 8 months of 1979 and reached a total of 85.3 million tons by the end of August.

These figures show the extent of the replenishment of the stocks, and suggest that the French imports should be close to 125 to 130 million tons in 1979. Although France planned to limit its imports to 111 million tons in 1985, in 1979 the objectives were retained because the replenishment of the stocks was aimed at consumption not import purposes. It is still possible that France will hold to its plan.

Comparative table of the results from 1977 to 1979

(1000t)

	1979		1978		1977	
	Aug	Jan-Aug	Aug	Jan-Aug	Aug	Jan-Aug
Crude Oil imports	10,841	85,320	9,195	74,972	10,055	77,279
Total import of refined products	736	7,036	903	6,308	917	5,382
Total export of refined products	2,181	12,056	907	9,654	1,491	10,233
Natural gas import	12,870	127,285	10,234	115,074	9,718	108,539

9018
CSO: 3100

BRIEFS

POLISARIO FRONT RECOGNITION--A delegation of communist deputies who are members of the National Assembly Foreign Affairs Committee met with a Polisario Front delegation headed by Saharan Democratic Arab Republic Information Minister Ould Salekhon Monday. The two delegations welcomed the international community's recognition of the West Saharan people's inalienable right to self-determination and independence. In a communique the communist group reaffirmed the demand "that the French Government should immediately stop giving any form of help to the Moroccan army which is engaged in aggression against the Saharan people. "It demands recognition for the Polisario Front whose representativeness is confirmed by all the evidence." [Text] [LD211601 Paris L'HUMANITE in French 10 Nov 79 p 7 LD]

GEORGE SEGUY ALGERIA VISIT—Georges Seguy, secretary general of the CGT [General Confederation of Labor] has been on a 5-day visit to Algeria since Wednesday, at the invitation of the government of this country. In a letter that he addressed to Debbih Abdellah, secretary general of the UGTA [General Union of Algerian Workers], Georges Seguy expressed "his friendship and his solidarity" with the General Union of Algerian Workers and "warmly acknowledged the great work accomplished since 1962 with respect to economic and social changes" in Algeria. [Text] [Paris L'HUMANITE in French 2 Nov 79 p 6] 8255

CSO: 3100

PARTY LEADERS DISCUSS ELECTION ISSUES, COALITIONS

Grondal: Flexible on Coalition

Reykjavik MORGUNBLADID in Icelandic 27 Oct 79 p 2

[Article: "Benedikt Grondal, Chairman of the People's Party: No Preconceived Notion on the Government"]

[Text] "People's Party members enter the election without preconceived notions on the form of government at the end. We will let events develop according to the decision of the voters," said Benedikt Grondal, chairman of the People's Party, when MORGUNBLADID approached him yesterday in connection with the words of Steingrimur Hermannsson, chairman of the Progressive Party, that he looked most likely to a new left wing government at the close of the elections rather than to another possible government configuration.

"The People's Party has now done with disappointment in the left wing government in as much as it got nowhere with its major aims," said Benedikt. "Experience shows us that often when one government possibility has been run to death in Iceland only a little time passes till it is tried anew."

"The People's Party has collaborated with all parties and we enter the elections with an open mind. Our priority is strengthening the People's Party as much as possible. On the other hand, however, it is impossible to take thought on the form of the new government on the basis of an election the outcome of which is still unknown."

Josepsson: No Coalition with Conservatives

Reykjavik MORGUNBLADID in Icelandic 27 Oct 79 p 2

[Article: "Ludvik Josepsson, Chairman of the People's Alliance: We Have the Most Interest in a More or Less Left Wing Government"]

[Text] "We have, to be sure, the most interest in a more or less left wing government but the 'more or less' must be underscored," said Ludvik Joseppsson, chairman of the People's Alliance, when MORGUNBLADID approached him yesterday in connection with the words of Steingrimur Hermannsson, chairman of the Progressive Party, that he looked most likely to a new left wing government at the close of the election rather than to another possible government configuration.

"I think, for example, that a more or less left wing government could be achieved with the People's Party members that we know and, to be sure, the chairman of the Progressive Party will likewise realize that he can call upon their proper left wing line. That, of course, will have no effect whatever upon the People's Alliance left wing politics and their choosing of a leftist line."

"That is better," said Ludvik, when he heard that Steingrimur had said that no possible coalition was ruled out if an agreement could be obtained on an economic basis. "The truth is namely that if the Independence Party wins to the degree that predictions suggest then I think it certain that it will be able to choose, at the conclusion of the elections, whether it wants the social democrats, which will take second place, or the progressives in the government with it. Both are willing."

MORGUNBLADID asked Ludvik whether or not he ruled out the People's Alliance and why. "I have no faith that the Independence Party desires a coalition with us and no faith that we would wish such cooperation even if it were possible. There has been too much bad blood between the People's Alliance and the Independence Party in the past," answered Ludvik Joseppsson.

Hallgrimsson Discusses Economy Program

Reykjavik MORGUNBLADID in Icelandic 27 Oct 79 p 24-25

[Article: "Geir Hallgrimsson Last Evening at Odinsfundr: The Election Will Have Two Goals for Us, Getting Rid of the Left Wing Government and a New Economic Policy"]

[Text] "All Icelanders know," said Geir Hallgrimsson, chairman of the Independence Party, last evening at Odinsfundr, "that the election struggle before us will be hard, and the chairman of the People's Alliance, Ludvik Joseppsson, threatens that the maneuvering after the election will be still harder. We Independence Party members cannot allow ourselves to take a back seat in the struggle, either before or after the election."

"The election will, first and foremost, have two goals for us at this time: getting rid of the left wing government and a new economic policy aimed at reducing inflation."

"The career of the left wing government, now finished, is a well-known disgrace. It was the third of its kind to come to utter calamity in barely a quarter of a century on the up-slope of its election term. None the less, all parties participating have glorified that pattern of government and none has dared to speak of another form of government before it has been made very clear that it is not possible to form a left wing government."

"They have all set some kind of halo over the concept of left wing government and consider it to be a sounding-board among the workers. I think that this halo has been lost and that there are many other things occupying the minds of the workers these days than left wing government. But we cannot close our eyes to the fact that the possibility of a left wing government can stand in the wings for the voters if we don't struggle emphatically with the need to strengthen the Independence Party and provide it with leadership and decision-making powers, thereby to make it the strongest, the very strongest, national political force."

"We have heard that the leadership of the People's Alliance and of the Progressive Party have requested of the president of Iceland that he try to revive the left wing government now, before the elections. We should realize that some will be more active after the elections than before and that the People's Party will be in the scuffle anew."

"An attempt will be made to safeguard the purchasing power of wages without allowing this attempt to exacerbate changes in prices and wages in an inflation catastrophe. It is stated, in the Economic Policy Statement of the Independence Party that: 'Agreement will be sought of parties in the labor market on a new price reform system and new index figures.' Price supports and indirect taxes have no effect there. Price improvements are connected with the terms of trade."

Reconciling Money Supply and Labor

"It is unlikely that it will be possible to achieve an end to inflation without certain sacrifices. Inflation will demand sacrifices either now or later. The essence of the matter is that such sacrifices will achieve success expressed in diminished inflation, a strengthened economy, employment security and increased economic growth, which will bring improved wages. But it must be agreed to that the wages of those worst off in Iceland must be unaffected by hard sacrifices. A slowing of inflation etc. agreements on the parties in the labor market must be aimed at the improvement of the purchasing power of low wages. The government may enter the collective struggle against inflation in the area of taxation and social security. An understanding of this sort between the government and the parties of the labor market would be natural under prevailing conditions."

"It is clear that the wages of Icelanders will not be improved on a lasting basis without an increase of production taking place and a growth of national income. Part of this, as would be included in decrees of the party on wage matters, would be that the participation of wage earners and the public in business would be encouraged in order to make individual interest in business more possible and productive. Also in the working is an important part for them in reconciling the money supply and labor; that workmen can have profit from businesses as owners, for example, in joint stock companies."

Improvement in Living Conditions as Value Formation and Increased National Income

"Before demands are made upon the public for sacrifices to slow inflation, the government will have to set a good example through reduction in treasury expenditures and a reduction of taxation as a first move towards freeing ourselves from inflation. With reduced taxation more wealth will be left over as disposable public income, which to be sure, is a ~~very~~ matter. We also desire that a lessened government role would increase the elbowroom of individuals, their initiative, which can find its expression in increased value formation as a precondition for improved living conditions for the public. The earnings of the public as a whole and its savings' accumulations will enhance the public's living conditions and desire for progress."

"We shall not, Independence Party members, solely discuss the dark side of things, in spite of the legacy of the left wing government. We must, certainly, bring an end to inflation, but we must, at the same time, look to the possibility that may be gained of increasing our value formation and national income--to create the basis for improved living conditions. We must utilize possibilities in our traditional occupational modes to increase, likewise, internal energy availability, among other things, for the construction of public enterprises and large industries to safeguard the labor security of a growing population and achieve living conditions comparable to those of neighboring peoples. The left wing government has ignored the importance of this."

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CSO: 3111

INDEPENDENCE PARTY REVEALS ANTI-INFLATIONARY PLATFORM

Reykjavik MORGUNBLADID in Icelandic 9 Nov 79 p 1

[Text] The precondition for progress towards improved living standards is success in eliminating inflation. This is a fact that the nation must inevitably face. We must be realistic in making economic decisions in all areas. We must do away with all of the laws of the left-wing government relating to the management of the economy and pursue a strong and liberal economic policy instead. State expenditures must be considerably reduced, and we must exercise strong restraint in monetary matters. The reciprocal effect of wages and prices must be brought to a halt, and we must also stop the devaluation of the krona.

Inflation-fighting measures must be powerful and taken at once, in order to boost national output as soon as the necessary preparations are completed.

This is the core of the economic policy that the Independence Party will pursue after the election and that Geir Hallgrímsson presented at a news conference yesterday. The Independence Party is the first political party to submit to its voters a definite outline for its policy and objectives after the election.

In order for the Independence Party to achieve its goals, it will proceed according to a plan that has been called "Blitzkrieg against Inflation."

This plan comprises the following points, among others:

--Government expenditures in 1980 will be cut by 35 billion kronur as compared to the 1980 budget proposal by the former government.

--Subsidies will be reduced, and part of them will be used for income guarantees for the lowest income groups.

--Interest rate decisions will be transferred from the government to the market, banks, savings institutions, companies and individuals.

--Negotiations regarding wages and working conditions will be unrestricted, and wage earners and employers will be responsible for them.

--The devaluation of the Icelandic krona will be halted after fish prices have been decided at the beginning of the year and after inevitable increases have taken effect.

--Prices will not be controlled, though they will be monitored, and competition and supplies will be increased, together with support for consumer associations. Import and foreign exchange restrictions still in effect, such as the tourist foreign exchange, will be eliminated, and all banks will be given the right to buy and sell foreign exchange.

--The left-wing government's taxes will be done away with.

--New road construction will be the number one project in building activities after the general attack on inflation.

--A gradual balance will be established in the supply and demand of domestic farm products.

--Preparations will be made immediately for the formation of a major electrochemical company for the purpose of initiating activities at the start of the next administration.

--Two major powerplants will be constructed during its term in order to boost electricity output, and the use of geothermal energy and electricity for house heating and industry will be streamlined. The aim will be to make Iceland self-sufficient in energy before the end of the century.

8743

CSO: 3111

ANTI-BASE GROUP LEADER WOULD INJECT KEFLAVIK INTO CAMPAIGN

Reykjavik MORGUNBLADID in Icelandic 7 Nov 79 p 2

[Text] "My personal opinion is that the air base opponents who belong to a political party are not tough enough," said Asmundur Asmundsson, the leader of the air base opponents' Central Committee, at a national meeting of the group over the weekend. "Their parties are uncommitted until the elections, which indirectly causes the issue to be ignored during the campaign," Asmundsson went on to say, "except when it is regarded as convenient for vote-getting."

"A party that is uncommitted regarding this issue before the election can be expected to do anything when the elections are over. It will prove to be like a knife without a blade in the future. Experience shows that all of the political parties that have seats in the Althing have relegated the air base issue to low priority status."

"A political party that does not make the withdrawal of the air base a precondition for participation in a government before the election cannot refuse to take part in a government after the election on account of that issue, as long as other major issues are not in the spotlight."

"The People's Alliance has, of course, always had a very definite policy with regard to the air base issue before elections," said Svarvar Gestsson, who heads the People's Alliance list in Reykjavik, in an interview with a MORGUNBLADID newsman yesterday. Gestsson was asked whether the People's Alliance would declare prior to the elections that it would take part in a post-election government unless the government platform called for a revocation of the defense agreement with the United States.

"Before the last election we made very definite statements in this regard," Gestsson said, adding: "The last government was formed in a very special way, around very limited tasks in the areas of employment, and wages, and one of the planks in the government platform called for a revision in 1979 that was supposed to be completed before the end of the year. While the government was still in power, we presented

the demand that the agreement be revised. We felt, of course, that many points were missing in the coalition statement of the outgoing government, including foreign affairs and the air base issue. That is why it is unreasonable to portray the situation as if we had deviated from our policy, which has been as tough and determined as always. We think that the coalition discussions were not completed, that they had not achieved a common stand on the issue."

Will the People's Alliance state prior to the elections that it will not join the government unless the air base issue is one of the top priorities of the new government?

"We will take up this issue in discussions with other parties if the topic is brought up after the elections; that is for sure. We will try to bring about a gradual withdrawal of the army."

You are unwilling to answer whether this issue will be set as a precondition, regardless of how other issues stand, aren't you?

"We will try to bring this issue to a conclusion if it is brought up; this is a priority issue of the People's Alliance. Everything else that has been said about the issue has just served to distort it. This is a priority issue that we of course place great stress on, along with other major issues. But I repeat that the government that we were just part of was formed under very special circumstances," Svavar Gestsson said.

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CSO: 3111

GRONDAL: SOCIALISTS' KEFLAVIK BASE POLICY UNCHANGED

Reykjavik MORGUNBLADID in Icelandic 8 Nov 79 p 2

[Text] "The policy of the Social Democratic Party regarding both the presence of the air base and membership in NATO is completely unchanged," said Benedikt Grondal, the prime minister and foreign minister and head of the Social Democratic Party, in an interview with a MORGUNBLADID newsman yesterday. "There has been no change in our policy on these issues," Grondal added. "We are as firm on these matters as before."

Will the Social Democratic Party declare prior to the elections that it will not join the coalition after them unless the government maintains the status quo in defense and foreign affairs?

"We have not made a decision as far as declarations are concerned, but I think that it is quite clear that we will stand firm in this policy and not sacrifice it for cabinet posts."

"I can mention in this regard that under the agreement of Olafur Johannesson's administration, the pact was supposed to be revised this year. The People's Alliance had already demanded in September that the revision work begin. They were not secretive about their plan being to change foreign and defense policy as part of this revision. But I do not think that they gained anything in this regard."

Is that because of the policy of the Social Democratic Party or the Progressive Party?

"I cannot make any assertions in that regard. Our policy was and is clear, as I mentioned earlier, but in the previous government there was complete agreement in foreign affairs between the Social Democratic Party and the Progressive Party," the leader of the Social Democratic Party said in conclusion.

"Everyone who is part of a movement such as the workers' movement or the air base opponents group, must realize that the objectives of the

movements are achieved only by voicing drastic demands," Asmundur Asmundsson, the former chairman of the Central Committee of the air base opponents, said in an interview with a MORGUNBLADID newsmen yesterday. Asmundsson was asked whether he regarded as satisfactory the statements by Svarar Gestsson in yesterday's paper.

"It is clear that we are not satisfied with anything other than straightforward statements concerning the withdrawal of the army, regardless of whether they come from the People's Alliance, the Progressive Party or any party that includes the air base as one of the issues of its policy," Asmundsson said. "No more so than the labor movement would be satisfied if the political parties were to issue other than clear-cut statements in the spirit of the pacts, which the Central Committee of the Icelandic Federation of Labor and the Association of Rural and Municipal Workers have already come out with."

Do you consider Svarar Gestsson's statement in MORGUNBLADID to be sufficiently clear-cut?

"Clearly, the drastic demands in this issue are that the parties that include the withdrawal of the base in their platform should state that they will not join the government unless the withdrawal of the army is included in the coalition platform of the government. This would entail a real fight over the air base issue."

The parties have not made statements in this regard, have they?

"No."

Which parties include the withdrawal of the air base in their platforms?

"The People's Alliance and the Progressive Party."

Will the air base opponents be looking for statements regarding this matter from these parties?

"We will do all we can. The only goal of the air base opponents is to get the army to leave the country, regardless of whether elections are near or not. We use all possible means to achieve this. These issues were discussed at a national meeting over the weekend at which the decision was made to tackle them now before the elections. What the newly elected Central Committee will succeed in doing I cannot tell, but certain proposals were passed, and I expect that the hard-working men who were elected will do a good job," Asmundur Asmundsson said in conclusion.

COUNTRY SECTION

ICELAND

MARXISTS WOULD RATHER BE IN CABINET THAN FIGHT BASE

Reykjavik MORGUNBLADID in Icelandic 9 Nov 79 p 16

[Editorial: "The People's Alliance and the Defense Base"]

[Text] The association of air base opponents is demanding that the People's Alliance declare before the elections that it will not take part in the formation of a government after the voting unless it includes the withdrawal of the army base in its platform. Svavar Gestsson declined to make such a clear-cut statement in an interview with MORGUNBLADID, which goes to show that the cabinet posts are so dear to the fallen ministers of the People's Alliance that they are prepared to sacrifice the issue that the Socialist Party and the People's Alliance have fought so hard for over three decades to obtain them. This is something to ponder for the young leftists who have believed that the People's Alliance has been struggling for ideals.

8743
CSO: 3111

UNION CHAIRMAN GIVES VIEWS ON ECONOMY, POLITICAL CRISIS

Reykjavik MORGUNBLADID in Icelandic 13 Oct 79 p 13

[Interview with Gudmundur J. Gudmundsson, chairman of the Icelandic Labor Federation: "Puffed Up With Knowledge of Lenin and With Socialism in Their Pockets"]

[Text] Gudmundur J. Gudmundsson, chairman of the Icelandic Labor Association, and Karl Steinar Gudnason have been called the godfathers of the government and it is said that, behind the scenes, the situation is, in fact, just as people suggest. Now the government, which they formerly breathed life into, is finished. A reporter spoke last week, over a cup of coffee, with Gudmund "the iceberg," as he is sometimes called.

[Question] It is true, as has been written, that you and Karl Steinar Gudnason are the godfathers of the government?

[Answer] "Yes, the government was having one of its innumerable crises. That was the latter part of last spring. The social democrats were then involved in one of their fantasies and Olafur Johannesson was scurrying to have his cake and eat it too. Karl Steinar and I took an active part in events. We called for a meeting of the Icelandic Labor Federation and spoke with our people. The party was called upon to come to an understanding. All of this had its effect."

[Question] Much has been said about your immense power--that you govern the nation. What is the truth of this?

[Answer] "Newsmen these days look for drama. I have never had the immense power that I have been alleged to have--I have only read about it. If, to the contrary, I had had power then I would have done things differently."

[Question] The government is now finished--has leftwing government been put aside for the time being? Is there much disappointment?

[Answer] "This disappointment is what pains me now and to some extent endangers leftwing cooperation. The two labor parties, the People's Alliance and People's Party, have won elections alternately and in the last election they both won and form a near majority in the Althing. People hoped that there would be a radical administration within which workers' associations would have a powerful influence, a friendly government, and that we would move in the direction of a more socialized, equitable society. But now nothing has come of these hopes. The government has occasioned disappointment in as much as there was no solidarity achieved within it. And the truth is that all parties have something to learn there. But it is clear that a large part of the Althing delegation of the People's Party had no heart to form a leftwing government. They seem to have other national aims. I have no faith in any close cooperation of the labor movements."

[Question] What now?

[Answer] "If the Independence Party forms a government with the support of the People's Party, then we will get a dogged rightwing government. Then events will develop along the lines of decreasing purchasing power and legislation which will make it difficult for the labor movement. Thereby the cooperation of the Icelandic Employers' Association with such a government would be obtained. Such a government would call forth strong class conflict."

[Question] You have said that your greatest disappointment is that the government is now breathing its last. Are you going to give up the battle now?

[Answer] "I have never been more determined than now to struggle for social equality and a strong labor movement guarantees social equality. It is difficult and nowhere in the world have things been going well. It seems the case everywhere that those with the most difficult and sordid jobs of a society get the lowest wages. A definite evolution is now taking place in Icelandic society. What is emerging is a more far-reaching class division. Certain kinds of experts and intellectuals have become far more privileged. Such people are totally dependent upon the multiplied wages of the working people to create value. This privileged group is the most exacting in society, complacent and unreasonable. But don't misunderstand me. I have no prejudice against intellectuals. On the contrary, many of my best friends are intellectuals."

[Question] You had a dispute with a young intellectual this spring in the pages of THJODVILJINN.

[Answer] "Yes, and my criticism was focused on the fact that Icelandic and Danish labor movements had a violent struggle against unemployment and to gain and keep unemployment insurance. The labor movement has had a

hard struggle for equal rights to education and these people, puffed up with knowledge of Lenin and with socialism in their pockets, come along and abuse this system and shout words of insult at working people on unemployment. I know of many examples in the Icelandic school system where teachers have undertaken to put students out of class and made a terrible threat in saying: 'You are an oaf and a hoodlum and you will only become a worker or a seaman.'

[Question] In an interview not many months ago a young People's Alliance woman said that she belonged to the 'leftwing intelligentsia' in the Alliance. Is there a great deal of back and forth within this group?

[Answer] "The intellectual clique in the People's Alliance that is so-called is not always dominant and is not allowed to be. And some of my friends teased me because I was fifth place on the list in the last election on the premise that the list would be more colorful and give a better conception of the labor party. If not, then Edvard Sigurdsson, Chairman of Dagsbrun, would have occupied the second position on the list."

[Question] ALMANNAROMUR says that you have little love for Olafur Ragnar Grimsson. Is that true or would you perhaps like to discuss the matter?

[Answer] "Indeed, by all means. I am very pleased that you have asked the question. The truth is that I have enormous faith in Olafur Ragnar. I hold, in fact, that Olaf Ragnar is just that intellectual who could be of real help to the labor movement. And the labor movement has had many secret supporters among intellectuals. It was an awful calamity when Magnus Kjartansson retired due to illness."

[Question] Does the intellectual clique speak in THJODVILJINN?

[Answer] "I will not deny it that sometimes THJODVILJINN seems to me to be only a cultural paper but I would not go so far as to say that the intellectual clique prevails there."

[Question] The workers' convention will begin soon. Will you stand for election and will there be any change of direction?

[Answer] "Yes, I shall stand for election again as chairman. As for what change of direction there will be henceforth--well, I don't know whether it will be called a change of direction or not. I make no secret of my feeling that I think that the Icelandic Labor Federation must turn more sharply and with more determination towards real wage quality in the country. I know that I am less than well liked in some quarters and that it could happen that the Icelandic Labor Federation could come into open conflict with other groups, both within and without the labor movement. I think that there are too many flashy graduates with figures in their

pockets who look upon sanitation workers just as foreign workers are looked upon in the countries of Western Europe. I shall struggle against such men with all possible weapons."

[Question] What are the most successful labor movements you have participated in?

[Answer] "I am rather satisfied with the milestones of 1965. Then Dagsbrun, Framsokn and Hlif and Framtidin were alone in the struggle. It was a difficult struggle and considered lost. The goal was an overtime ban. But we gained a work week curtailment to 44 hours a week. Saturday afternoon became an official holiday and from the government we gained an agreement on 1250 apartments to be constructed in Breidholt. But 1955 was more memorable for me. Then there was a 6-week work stoppage which ended in an agreement on unemployment insurance. I was discontented with the outcome but later I forgot my discontent when an adult came to me and said: 'Don't be discontented, the victory on unemployment insurance will stand.'"

[Question] In recent months a new kind of labor leader has gradually emerged, that is, a man with figures. Are you an out-of-date labor leader?

[Answer] "That is a good question (he said and smiled). I don't find that so dangerous as some do. Others will condemn my acts. I will continue to work for that people which I think to be best--working people, as well as I can."

[Question] Events are heading towards Althing elections. Have you considered an Althing seat?

[Answer] "(After a smile) I have not filled out an application. I haven't even thought the matter over. The truth is that I have little interest in an Althing seat. I am unlike many in all parties who adapt their lifestyles to an Althing seat as if this were the highest goal. Such individuals are, by and large, intolerable, whatever party they are in. They have to think it over before even daring to smile. They would go running in the bush if they thought it politically expedient--intolerable."

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CSO: 3111

PCI, SANDINISTA DELEGATIONS CONFER IN ROME

LD231041 Rome L'UNITA in Italian 9 Nov 79 p 14 LD

[Unattributed report: "Sandinista Delegation Received by PCI"]

[Text] Rome--Major Eden Pastora, the legendary major "Zero" and deputy minister of the interior in the Nicaraguan republic's government had a meeting yesterday at PCI directorate headquarters with party secretariat member Adalberto Minucci. The [Sandinista] Front delegation also comprised Comrade Siliva MacEven, member of the Sandinista National Liberation Front Foreign Affairs Secretariat, Comrade Alejandro Lopez, medical officer of the Sandinista People's Army and Comrade Patricio Craushaw, the front's representative in Italy. The PCI was represented by Comrade Antonio Rubbi, Central Committee member and foreign section official, Comrade Renato Sandri, a foreign section member and Claudio Ligas of the International Affairs Department.

Major Pastora described the situation in Nicaragua after the victory of the people's revolution and gave detailed information on the effort being made by the Nicaraguan Government and people to rebuild the country. That effort now requires the political and material support of European governments, democratic parties and all those who are concerned about the fate of Nicaragua's democratic revolution.

Comrade Minucci for his part recalled the PCI's initiative and mobilization in our country during the armed struggle to defeat the Somoza regime. The task now is to direct the Italian Communists' action to broad political and material solidarity to be expressed together with all the democratic parties and institutions and all mass organizations. Comrade Minucci reiterated the PCI's commitment to intensifying that effort of solidarity toward the Sandinista people's front, the Nicaraguan Government and people, so that they can successfully carry on the difficult but noble work which they have started.

CSO: 3104

REVIEW OF SVIMEZ'S ANNUAL REPORT ON THE MEZZOGIORNO

Rome POLITICA ED ECONOMIA in Italian Jul-Aug 79 pp 97-98

[Article by Mariano D'Antonio: "The Mezzogiorno in SVIMEZ's Analysis"]

[Text] The SVIMEZ [Association for the Development of Industry in the South] report on the Mezzogiorno for 1978 has raised three series of questions, all linked with one another, all dealing with the economic situation in addition to providing the usual figures on the status of income investments and unemployment of the southern economy as compared to that of the center-north. The first deals with the measure and quality of noninstitutional labor found in southern regions. The second deals with the rhythm, time frames and makeup of public investment funds. The third treats the urban question, the living and working conditions in the Mezzogiorno's metropolitan areas.

Let us begin with noninstitutionalized labor, a topic which is part of the larger debate dealing with the so-called submerged economy. Much has been said about this recently, to include political overtones directed against labor unions and their questionable practices concerning the use of the labor force. This behavior of labor unions is justified by them as a reaction to those spontaneous market demands and adjustments which create a demand for labor contracted outside the institutional framework (i.e. moonlighting, second jobs and part-time work). SVIMEZ has estimated that 1,115,000 workers in the Mezzogiorno in 1978 did not have institutionally guaranteed employment, compared with the 1,495,000 workers in the same circumstances found in the center-north regions. With respect to population density: in the Mezzogiorno it reaches 18.1 percent, while in the center-north it is only 10.7 percent. Those who have held two jobs in the course of the year--another category to be added to the first type--in the south totaled 456,000, compared to 701,000 for the rest of the country, and here again, the population percentage is higher in the Mezzogiorno (7.4 percent) when compared to more developed areas (5.0 percent). The major factor relating to the phenomenon of the south is explained by the greater importance agriculture exerts in that region. (Noninstitutionalized laborers belonging to this sector in the Mezzogiorno total 584,000). The single manual labor group which is most involved in borderline activities

in the Mezzogiorno is by far that made up of females. (That is, 473,000 individuals, or about 29 percent of the total female working population in the Mezzogiorno.)

But what is really important is the judgment passed on the quality of the "submerged economy" in the southern area in the SVIMEZ report: compared with the center-north section, where the diffusion of lesser activities is due to decentralization and the restructuring of production methods aimed at regaining market adaptive elasticity and lowering production costs, in the Mezzogiorno the phenomenon is tied to "the increase of under-employment of traditional service activities, linked to income and local demand or to the propagation of parasitic, if not illegal activities. These elements, typical of situations characterized by labor force surpluses, are naturally found more often in the Mezzogiorno. If it is necessary to assume, when making reference to the latter, that if distribution and income levels are better than those officially reported, they still constitute an index, not of dynamism, but of lasting backwardness." (Re: Report, p 12) In other words, if precarious labor can ever be considered to be a sign of vitality of the production apparatus in the rest of the country, in the Mezzogiorno it is an aspect of economic backwardness.

Let us pass now to the second problem, which deals with public expenditures for investments and, in a general fashion, with the role of public influence in the direct and indirect accumulation of production capital. The report mentions, inasmuch as is possible, given the lacunae of statistical information, a process of disengagement and deterioration of public administration in the southern economy. Provincial treasury disbursements for investment expenditures authorized by in-session administrations declined by 19 percent between 1977 and 1978 in the Mezzogiorno. (These payments, although made by provincial treasuries of the regions in question involve works also performed in other, different regions, and it is not possible to attribute them by territory.) The variance in Lazio reached 26.3 percent and 7.7 percent in the center-north. Regarding regional expenditures, unfortunately, relevant data are not available. However, information regarding ordinary statute, inactive surpluses of the southern region is available. In 1978 they totaled 2,119 billion lire, of which at least 1,500 were in equity. The tendency of accumulating investment expense residues on part of the regions has increased: in 1977 these surpluses were 73.4 percent of the total, and in 1978 they rose to 78.5 percent.

Finally, the Cassa [Fundi] del Mezzogiorno expenses in real terms equity expenses diminished by 5.5 percent. The notable drop was experienced by those works which had been turned over to the regions (namely the so-called "completion" public works which the Cassa del Mezzogiorno cannot touch unless linked to 1976 projects); here the slippage in expenditure, in real terms, was 21.2 percent. Equity allocations diminished by 10.0 percent, while other forms of expense increased (such as interest account outlays, industrial infrastructures, special projects). Furthermore, spending difficulties on the part of the Cassa del Mezzogiorno for capital formation are to be expected

for the next year in bleaker terms still: outlay commitments assumed in 1978 which will produce future income, have declined by 36 percent if valued in constant prices. The fund's activity slowdown is viewed, in the SVIMEZ report as a "decline index of the 'extraordinary nature' of the organization's operating methods" (Re: Report, p 45). Also mentioned in the report's introduction is "programmability and operational agility, which today appear [more] gravely compromised": (Re: Report, p 14).

The explanations for this [situation] in the report are pointed out in questionable fashion. In fact in Naples, as the SVIMEZ report was being made public, lively debates on the topics of argument took place: mentioned were a lack of coordination between extraordinary intervention and ordinary action; called into question was the expansion of economic policy decision making centers for the Mezzogiorno; (it had been asserted that the fund had bogged down in procedures and procrastinations typical of those found in public administration); complaints had been voiced concerning the region's interference in special projects. Luciano Barca, who was present at the discussion of the SVIMEZ report in Naples stated that such arguments evidence a nostalgia for the old fashioned fund, namely for an organization which in years past has acted without direct control of program activities while taking away powers and responsibilities from local organizations. The debate, argued Barca, must move forward, and ask if the time has not arrived to do away with the bureau of extraordinary allocations, and to move on to other methods of administering public resources which it had controlled up to that time.

Finally, the urban question. In many cases, it is intimately linked with the problem of a vigorous industrialization on the upswing, at least in those areas of excessive supply of an educationally qualified labor force. In these areas, according to the SVIMEZ report, problems such as the planning and refurbishing of living quarters, qualified offers for public service employment, support of production activities, and reorganization of the public administration apparatus exist.

In the chapter dedicated to industry, these themes again appear when the necessity of refining and expanding the forms of public aid, of focusing on services and financial incentives, differentiated according to environmental situations are discussed. The center of attention should go to local concerns, which are beginning to show signs of improvement: these include improvement in employment, refocusing directed to foreign markets, and technological modernization (Re: Report, pp 89-90). The explanations appear realistic and are acceptable. In part, the orientation favoring light industry and services (real as well as financial incentives) was formalized by Law No 183, in which a reorganization and a defining of activities of the various organizations were brought to the fore. These included financial organizations for industrial development (such as Fi. Me, SpA [Southern Finance, Inc], and INSUD [New Initiatives for the South] and promotional organizations (such as IASM [Institute for the Aid of the Development of the South]). Unfortunately the SVIMEZ report does not dwell on aspects of the law and activities of such organization in order to draw conclusions and suggest new possible operating techniques for these organizations.

Table 1: Added Value Percentage Variations in 1978 of 1970 prices.

	Mezzogiorno	Center-North	Italy
Agriculture	1.1	7.0	4.5
Industry (Strict Definition)	3.0	1.5	1.8
Construction and Public Works	-1.1	2.6	1.4
Services Intended for Sale	2.3	3.1	2.9
Services Not Intended for Sale	2.2	1.4	1.7
Value Added to Cost Factors	1.9	2.6	2.5

Table 2: Index of Variations of Industrial Investment Year 1974 = 100
(Based on 1970 price values)

Year	Mezzogiorno	Center-North	Italy
1974	100.0	100.0	100.0
1975	77.3	78.4	78.0
1976	72.2	78.9	76.8
1977	66.5	80.2	75.9
1978	61.5	77.2	72.3

Source: SVIMEZ, 1979

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BRIEFS

PCI-ANGOLAN OFFICIALS MEET--Rome--A meeting took place at PCI directorate headquarters yesterday between Paolo Jorge, minister of foreign affairs of the Republic of Angola and member of the Secretariat of the Popular Movement for the Liberation of Angola, and PCI Directorate Member Comrade Gian Carlo Pajetta. The meeting was also attended by Angolan charge d'affaires Telmo and Comrade Renato Sandri. Having acknowledged the important results of the Havana nonaligned conference and having stressed the increasing gravity of South Africa's armed attacks on the economic objectives of country on the road to construction, an examination was made of the most significant problems of both countries' domestic politics. In an atmosphere of great cordiality, Comrade Pajetta pointed out that the Italian Communists' solidarity with the Angolan people's liberation struggle continues today, for the sake of the intensification of relations between the countries and as a contribution to the process of the African countries' independence and development--a lynchpin of detente on a world scale. [Text] [LD211523 Rome L'UNITA in Italian 7 Nov 79 p 13 LD]

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POLITICAL PARTIES, INTERIM ELECTIONS: AN OVERVIEW

PS: Moderate Renewal

Lisbon DIARIO DE NOTICIAS in Portuguese 12 Oct 79 pp 15-16

[Text] Three politically significant facts emerge from a comparison of the lists of candidates which the Socialist Party (PS) presented to the voters in the 1976 legislative elections and now in the interim elections: the absence from the latter of some prominent names that have since left the party; the presence in top positions of personalities from the Socialist Intervention Group (GIS); and changes of positions of PS leaders that reveal developments within the party apparatus.

Missing from the lists in the 18 continental districts are four "standard-bearers" who in the last 3 years chose the course of dissidence for different reasons.

They are the following: Lopes, Cardoso, a candidate for Beja in 1976, who is the number one man of the Leftist Union for Socialist Democracy (UEDS), running in Lisbon for his new party; Vasco de Gama Fernandes, the number one man for Leiria, president of the Assembly of the Republic during two legislatures (after rapprochement with the Reform Manifesto group, he refused to endorse the recent pact between that group and the Social Democratic Party (PSD) and incorporation in the Democratic Alliance (AD)); Aires Rodrigues, in Setubal (he left the national secretariat and was the number two man in the labor sector of the PS--today he is a member of the Socialist Unity Workers Party (POUS), which is not contending in the elections); and Antonio Barreto, for Beja, who, though not running, is supporting the Social Democratic Party/Social Democratic Center Party/Popular Monarchist Party (PSD/CDS/PPM).

Other significant absences are, for example, Alfredo Carvalho and Bras Pinto, fourth and sixth, respectively, for Setubal; Medeiros Ferreira (5th), Mario Mesquita (7th), Nuno Godinho de Matos and Carmelinda Pereira, all from the Lisbon list.

Also absent from the current lists are the socialist civil governors inasmuch as the PS opted for them to remain in office. Such is the case of Mario Cal Brandao (3rd for Aveiro) and Oliveira e Silva (1st for Viana do Castelo). Walter Rosa, who was second for Leiria is currently an ambassador.

The Positions of the Former CIS Personnel

As for the second political fact pointed out, it comes in the wake of Jorge Sampaio's admission to the PS National Secretariat following the third congress.

This former leader of the Socialist Intervention Group is the fourth candidate for Lisbon (significantly, immediately after Vitor Constancio, another new member of the secretariat who is known to be on the rise); running for the same district are Jose Manuel Galvao Teles (16th), Nuno Brederode Santos (22nd) and Joaquim Mestre (26th). Running for the difficult districts of Alentejo are Armando Trigo de Abreu, second in Portalegre, and Nuno Portas, fourth in Evora. Joao Cravinho is the candidate for Setubal, in fourth position.

The Developments in the Apparatus

In three districts on the continent, continuity is the keynote: in Aveiro, the list of which is headed by Carlos Candal, although Alcides Strecht Monteiro and Mario Cal Brandao are absent: in Santarem, where Antonio Reis is kept at the head of the list, and Manuel Ferreira Lima, Jose Niza, Mendes Codinho and Manuel Dias (Maria Barroso and Rico Calado go out and Jorge Galamba Marques comes in) in the following positions; and in Castelo Branco, the list of which is again headed by the locally prestigious figure of Albano Pina, followed by Antonio Guterres.

In four other districts, there is a similar continuity of the list "standard-bearers" although with big changes among the rest of the candidates. In Portalegre, Julio Miranda Calha (former civil governor and former member of the government) remains at the head of the list but all the other names have been changed. In Faro, Luis Filipe Madeira remains in first place but Pedro Coelho leaves to run for Macau, outside of the continent, and Luis Saias, the minister of agriculture in the Second Government comes in.

In Oporto and Lisbon, the first positions are again held by the president and the secretary general of the party, Antonio Macedo and Mario Soares. However, the differences in the lists are substantial, reflecting the need to place some party figures in secure positions, or changes of position in the party apparatus. In Oporto, Maria Barroso has emerged in second place and Rui Vilar in third place (he was formerly sixth) both ahead of local officials such as Jose Luis Nunes, Carlos Laje and Gomes Fernandes, of the national secretariat; Alberto Andrade is the last on the list and Eureco de Figueiredo the first alternate.

In the Lisbon district, noteworthy is the absence of Sottomayer Cardia (formerly second), the rise of Teofilo Carvalho dos Santos (he was the 27th candidate) and of Vitor Constancio (from 12th to 3rd), the drop of Marcelo Curto (he was 3rd and is now 7th), the moving of Teresa Ambrosio from 28th place to 9th, and of Gualter Basilio, from 29th to 14th, and the departure of Francisco Lino Neto.

In the remaining districts, there is either the movement of second candidates to first positions (the cases of Beja, with Luis Cacito; of Setubal, with Herculano Pires--where Palma Inacio is deputy for the first time; and of Viana do Castelo, with Manuel Tito de Moraes); or the complete replacement of the first place personalities.

Falling into the latter category are the presentation of Montalvao Machado, in Vila Real, in place of Antonio Barreto, while retaining the second and third names: Prof Braganca Tender and former Civil Governor Julio Verdasca; in Braganca, with a completely new list (it had been headed by Sousa Gomes); of Almeida Santos, in Guarda, in place of Eduardo Pereira (moved to second place for Setubal), the whole list also being new; of Manuel da Costa, in Evora, replacing Antonio Machado Rodrigues on a list in which only Florencio Matias is retained.

In Leiria, it was Maldonado Gonelha who took over the first position followed by Rui Mateus--Vasco da Gama Fernandes, Walter Rosa and Rodolfo Crespo having left. Sousa Gomes comes up in Viseu after having headed Braganca. For Braga, it is Salgado Zenha who heads the list, having come from second position in Oporto, with Raul Rego going to second position. Coimbra was perhaps the district most discussed during phase of preparing the lists due to the fact that the local federation had removed Manuel Alegre from first position. After that leader announced his intention not to run in the elections and the executive committee considered him "essential," the list ended up by including Henrique de Barros in first place, Antonio Arnaut, who rose from fifth place, Alegre and Antonio Campos (2nd in 1976). Antonio Portugal, formerly the sixth, was not a candidate.

Without entering into a political analysis of the differences indicated, it can be quickly noted that few "national personalities" in the party maintain secure positions (of prestige?) in their districts of origin and it is also known that several of the men in the party apparatus had difficulty in being accepted by the rank-and-file.

On the other hand, the relative demotion of some traditional personalities and professional leaders is underscored by the rise of other technical and political cadres whose "technocratic" image coexists with leftist (former GIS) or moderate (Vitor Constancio, Rui Vilar, etc.) connotations.

AD: Effort at Rapproachment

Lisbon DIARIO DE NOTICIAS in Portuguese 12 Oct 79 pp 15-16

Having complied with the formalities for presentation of the lists of candidates for deputy in the various electoral districts with a view to the 2 December interim elections, the different contending political organizations are now readying for the campaign to attract the votes of an electorate that, according to some observers, is detached from the polls and the system by reason of successive unkept promises.

In the meantime, for the two approaching elections—and for an overall assessment it will be well not to forget the local government elections scheduled for 2 weeks after the election to the Assembly of the Republic—the Portuguese election picture offers unusual prospects inasmuch as of the four big parties that emerged from the 1976 legislative elections, only the Socialist Party appears with its own party identity, the others opting for coalitions in an obvious attempt to counteract the modus vivendi of instability that is very unhealthy for the situation of the country.

It is from that perspective, and that only, that the appearance of the Democratic Alliance on the political scene must be understood—the product of an effort at rapproachment by Sa Carneiro with Freitas do Amaral, plus the adherence not only of the small PPM but also, in a sectorial way, of well-known personalities from the so-called Reform Manifesto, who thus seek to stay on the political stage, apart from the parties and identification on their part with any of the current organizations; that, of course, without implying any idea of breaking with the democratic regime but, rather with the declared purpose of developing it toward "forms more appropriate to the Portuguese situation."

It was on recognition of that need that the cooperation agreement signed by reformers and social-democrats was based, an attitude, however, that cannot be interpreted as adherence of the former to the programmatic principles of the latter. And through that bilateral "entente," the former were included in the lists of the alliance in a position, in principle, intended for the PSD—and some of them in a prominent place, as is the case of Medeiros Ferreira, the fourth on the Lisbon list—leading one to believe that those candidates were considered only from a personal viewpoint and not considering the Reform Manifesto as political force as a whole integrated in the coalition.

The First Dispute

It was, moreover, the formulation of the lists that generated the first source of disagreement within the alliance in view of the initial refusal of Sa Carneiro's social democrats to accept the position supported by the leaders of the Social Democratic Center Party (CDS) to present common lists in the various election districts.

Furthermore, this behavior is consistent with the decisions of the leading organs of the PSD. The seventh national congress opened the doors to negotiation with the CDS with a view to a possible preelection agreement on the government, this being contingent, however, on "the recognition and retention of the specific identity of each party and the consequent presentation of candidacies in separate lists," a position that was to be changed on 16 September when the national council, rejecting that condition, mandated the president of the PSD "to negotiate at the national level with the CDS and the PPM, and possibly political personalities, the formulation and presentation of joint lists for the forthcoming interim elections, for the continental territory and the immigration districts," within previously established parameters.

But, although the difficulty has been surmounted, there remains the doubt we expressed in this column on 11 August when the social democratic position in the negotiations underway appeared more radicalized. We wrote at that time, in that connection, that "thus, only the future will tell if a gust of mutual mistrust will penetrate this breach opened up in the bloc, capable of widening it or even destroying the structures of an agreement that, in addition to the erosion of time itself, will have to sustain the effects of a struggle to be waged in the various areas of a constantly moving political society such as the Portuguese."

The Relevance of the Doubt

And the reservations expressed then remain particularly relevant after the release of the Democratic Alliance lists, presented to the appropriate civil judges as stipulated by the law, which confirmed the rumors of the predominance of social democrats in the first positions and especially as regards the names that head them in each of the districts.

In fact, suffice it to note the presence of PSD candidates at the top of the lists presented in almost all of the districts in the continent--only in one district, in Guarda, is there a Centrist, Luis Barbosa, at the top, which by itself will be enough to cause some dissatisfaction in Christian Democratic ranks. And if that is not so, what was the meaning of the attempt at justification by Amaro da Costa in Braga, resorting to a sports parallel to stress that "when we are dealing with participating in the national team, it is of no interest to know whether one team gained more prominent positions than the others?" One could mock the words of the Centrist vice president, candidate for Oporto, whose most representative club was not disposed to assign its players to the team when its interests were threatened. But there are other more concrete situations indicative of a certain "uneasiness," probably still not capable of disturbing relations between the leaders but capable of compromising the longed for success at the grassroots level.

Look at the lengthy indecision of Rui Pena, the second in Aveiro, to follow Angelo Correia; note also the silence that has lately seized the ebullient Lucas Pires, also second in Coimbra, after some reluctance based on the third position that had been originally reserved for him in that district. One might note here the absence of Vitor Sa Machado, another top personality in the CDS, now voluntarily in the twilight zone after having been in Necessidades Palace. And let us not forget also the [line dropped] repercussion on the continent with its whole wake of suspicion and unseemly and reciprocal insinuations.

All of this will naturally be factors for concern although not sufficient for the time being to permit the hasty conclusion that a real threat hovers over the alliance. This "entente" the characteristics of which are heterogeneous and, in some cases, programmatically different though linked together by a "hyperconcept" of democracy or, if you will, by a "super-purpose" of saving Portuguese democracy, is not in danger. That risk does not exist; let us accept it. But it is important to recall here because of its importance and significance, the fact of the impossibility of the alliance to present joint lists in more than 50 percent of the municipalities and parishes in the country in the elections for local government scheduled for 16 December.

And although that fact has been justified by reasons of an organizational nature, is that not a strong indication of a "certain incompatibility" that escapes the wishes of Largo das Caldas or Buenos Aires Street?

PCP: Radicalize With Compromise

Lisbon DIARIO DE NOTICIAS in Portuguese 12 Oct 79 pp 15-16

[Text] The PCP is taking on the aspect of a very strange phenomenon that for observers borders on the paradoxical. Namely, it is trying to radicalize the electorate with an operation of openness and flexibility.

And all of this has been done without revealing any fundamental weaknesses to the public; in fact, displaying health and energy, believing itself capable of coolly and curtly debunking the slightest detail that would lend itself to speculation.

It is trying to radicalize the electorate because the campaign to increase its number of deputies can only succeed if it absorbs a large number of votes to its right inasmuch as the benefits to be gained to the left are minimal, using the last elections as a point of comparison.

"We do not want any PS votes to go to the reactionary alliance," are the words of Alvaro Cunhal, "but it will be positive, even necessary, for PS votes to go to the PCP" explained the communist leader.

As for the openness and flexibility maneuver, it is a fact, but it cannot be considered without dispelling any idea that the PCP may be going through an "Italianization" phase.

Though inherently detached during these years of legislature from a policy that would directly result in interim elections, despite the fact that it proposed them, the PCP, in the opinion of many observers, is the party that has prepared for them for the longest time and the most patiently.

Furthermore, convinced that the penetration of the social fabric rather than the rhetoric of the political leaders would be proportionately more useful, the PCP began to view the legislative elections from the same perspective as was adopted for the municipal elections. For that reason, the keynote of the lists of its alliance with the Portuguese Democratic Movement (MDP)/ (CDE) (United Peoples Alliance—APU) for the interim elections is the inclusion, in large measure, of locally established names. That concern leads particularly to the fact that in many districts the heads of the list are not intellectuals or technocrats.

One might believe that the intention was primarily to honor PCP traditions about the development of politicians coming from the working class, with greater detriment to that principle, if that were necessary, in the case of the Lisbon list, from the outset capable of electing more deputies and which includes the so-called "essential" ones in the parliamentary group.

However, it indicates a broader tactic, expanding the "spectrum of options" to areas where the party did not gain substantial results in previous elections.

Basically, the strategem is not new; rather, it has been in the process of development. However, to put it into practice, it will be necessary to show power of flexibility.

Thus, Enrico Berlinguer was not brought to Lisbon purposely to leave a clue. Both the Italian communist leader and Alvaro Cunhal anticipated all commentators by reaffirming their differences of opinion, specifically regarding joining the Common Market. But Berlinguer's visit in the election precampaign consisted in a small show of tolerance, of the flexibility that the PCP wants to pretend to have.

At a rally in the Sports Pavilion, before a crowd of PCP members, the Italian communist leader said that the Italian Communist Party (PCI) is still prepared to ally itself with forces with which the Portuguese counterpart party does not accept partnership. This, according to Berlinguer, is to combat "the situation of terrorism, political violence and crime in Italy." It is in the context of a "strategy of the democratic road to socialism," he declared.

Nevertheless, points of affinity between the PCI and the PCP stand out: from a constitution in the terms of the current Portuguese constitution; destabilize the control of the more conservative parties (when it exists); call for rapprochement between communists and socialists; strengthen the unions and other mass organizations; unite the workers movement (even though possibly not with identical aims in Portugal and Italy); avoid the detachment or the Distrust of the population with regard to the parties; promote a change in the forms and quality of consumption and ways of living, both personal and collective.

In short, Berlinguer's visit is related to a compromise of balance between possible tendencies in the Central Committee so that the PCP, as the largest group of the left in Portugal may not lose influence. One may suppose that that compromise will prevail for all analyses of the situation in a party that seems to continue to be the image of an inscrutable fortress.

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CSO: 3101

PCP'S CUNHAL INTERVIEWED ON DEMOCRACY, EUROCOMMUNISM

Lisbon DIARIO DE NOTICIAS in Portuguese 6 Nov 79 pp 5, 6

[Interview with Portuguese Communist Party boss Alvaro Cunhal by Dinis de Abreu and M. Bettencourt Resendes: "It Was Not the Portuguese Communist Party That Changed--It Was the Situation That Changed"; date and place not given]

[Text] In the interview given to DN [DIARIO DE NOTICIAS], Alvaro Cunhal noted that the PCP [Portuguese Communist Party] did not change; in answer to questions he replied that the party "has a program for winning votes and pursues a political effort that is contrary to its own program." The PCP, he said, "is working to carry out its program."

DIARIO DE NOTICIAS: What are the basic reasons that persuaded the PCP once again to run in the elections as part of an alliance? Will there be any intent to win segments of the electorate that might possibly be rather little receptive toward the communist symbol?

Alvaro Cunhal: The reasons, such as they were given out, fundamentally sprang from the simultaneousness or great proximity of the two elections (to the Assembly of the Republic and to local government bodies). Under these conditions, simultaneously conducting a campaign under the PCP initials and the symbol of the hammer and sickle for the Assembly of the Republic and another campaign in an election coalition with the APU (United People's Alliance) and the symbol of the three little rings was becoming an extremely confused affair and was bound to make it difficult to enlighten the electorate; it might even cause numerous instances of confusion, hesitation, and mistakes in voting by the voters.

The entire process was simplified as a result of the formation of the APU not only in the local government elections but also in the elections to the Assembly of the Republic.

However, as you know, the PCP conducted its own autonomous election campaign; it presented its program and its own objectives; and it will have its own group in parliament.

It is possible that there might be voters who, with greater ease, will cast their vote under the symbol of the APU than for the symbol of the PCP's hammer and sickle.

But it is also almost certain that there will be poorly informed voters who, trying to vote for the PCP, will not cast their ballots for the three little rings (which is a vote for the hammer and sickle) but for the phony hammer and sickle which provocative groups are using unlawfully as their own symbol. And this, by the way, is why they are running in the elections.

DN [DIARIO DE NOTICIAS]: Quite a few times, some of your party leaders asserted that the communist parties "by force of habit do not have anything in the nature of abrupt changes in their election results." To what, then, is the confidence in the "significant increase" in the number of communist deputies due?

AC [Alvaro Cunhal]: The confidence in the significant increase in the number of PCP deputies springs from many facts: constant and considerable increase in party membership; growing support for PCP initiatives; election of communists to leadership bodies in labor unions and other mass organizations; ever greater support for the orientation, objectives, and struggle of the PCP.

The importance of the "significant increase" in the number of PCP deputies springs from uncertainty about the policy and alliances of the PS [Socialist Party] after the elections and the weight which this "significant increase" can have in getting the numerical majority of the communists and socialists (which, we think, will be able to hold on in the future Assembly of the Republic) to become an effective democratic majority which would give parliamentary and popular support to a democratic government with a democratic policy.

Elections and the Government

DN: Dr Alvaro Cunhal said, during the 21 October meeting that "the party that gets the most votes in the elections, being a minority party, will not have the right to put together an administration all by itself." Does this mean that the PCP is not prepared to back a "PS alone" administration even if the socialists were inclined to enter into a nongovernment agreement with the PCP?

AC: The party that gets the most votes, being a minority party, does not in fact have the right to put an administration together all by itself.

Under these conditions, if one tries to form a government (and if one is charged with that task) one must at least have the direct or indirect support of other parties that would assure a parliamentary majority—a majority needed to approve the administration program or at least not to reject it. That means that it is possible for a party to constitute an administration by itself, with the support of others, and that is the same as saying that, being a minority party, even though it may have gotten the most votes, it does not by virtue of that fact (without the support of other parties) have the right to form a government.

This is a central issue in the formation of the administration after the elections, since it is absolutely certain that no party by itself will win an absolute majority. As far as the PS is concerned, if it wants to form a government, it will have to have a coalition, an alliance, or the support of other parties. Specifically that means either the PPD [Popular Democratic Party] and the CDS [Social Democratic Center Party] or the PCP. This is why we insist on having the PS tell us right now with whom it is thinking of allying itself in order to form a government because, if it does not say so, nobody can in clear conscience vote for the PS since nobody will know how his vote will contribute to an administration of the PS allied with the reactionary forces or a PS administration allied with the PCP or with a PPD/CDS administration which the PS may allow to come to pass in the Assembly of the Republic, as it did in the case of the Mota Pinto cabinet. When we asked the PS to clarify that issue, the PS responds that it does not have to say anything to the PCP on that score. But if it does not have to satisfy the PCP on that issue, it does have to come up with a satisfactory answer for the electorate so that the electorate may know whom it is voting for.

DN: You have been insistently stressing the need for having the PCP participate in the future cabinet. What are the reasons, the objectives, and the scope of this position?

AC: The fundamental reason is that we believe that communist participation in the cabinet is necessary and even indispensable so that we may define and implement a democratic policy and so that the grand problems of the nation may be resolved.

By virtue of its clear and solid orientation within the constitutional framework, by virtue of the in-depth knowledge of problems, by virtue of its capacity for organization and achievement, by virtue of its profound bonds with the working masses, by virtue of its influence and its mobilizing strength, the PCP has real conditions for making a decisive contribution, within the cabinet, to the solution of the big problems of the people and the country.

There are those who say that, even if that were to be a solution deriving from the actual voting and political agreements, it would not be possible either because it would trigger a coup d'etat or because the imperialist countries would be opposed to that.

Naturally, we do not accept such a thesis.

If we were to allow a situation in which a democratic solution could be "vetoed" by a coup d'etat, what would have to be done would not involve discarding the solution but taking measures to prevent a coup.

And, as far as the opposition of the imperialist countries is concerned, it is a basic principle for us that it is up to the Portuguese and the Portuguese alone to decide on their policy and their government.

The day the PCP must participate in the administration, by the will of the Portuguese people and by the standards of the democratic system, the PCP will participate in the government, even if that may displease certain foreign circles.

DN: In personal terms, are you looking forward to becoming a minister in the cabinet to be formed after the elections?

AC: That is a question which has not even been taken up as yet. In other parties they are already discussing who will and who will not be a minister. For our party, the fundamental thing now is to defeat the reactionary forces in the elections, to guarantee a democratic majority in the Assembly of the Republic, and to strengthen the PCP's parliamentary delegation, to turn the numerical democratic majority into an effective democratic majority, and thus to lay the institutional foundation for the formation of a democratic administration. The PCP will be in the government only if the issue of PCP participation is raised and, if this materializes, we will come to the question as to who is to represent the PCP.

Austerity and Indemnities

DN: This brings us to a question which is rather important today and which relates to the growing price rise. Since these price rises have become the practice in various administrations, from the provisional ones all the way to the constitutional ones, it seems to us that the PCP adopted different forms of behavior with respect to these various administrations in the area of austerity. For the PCP, that austerity has various aspects --or could it be that your party recognizes it as a necessary evil?

AC: The question contains aspects which are far different from political reality and which are of a historical character. As far as the definition of austerity is concerned, we believe that the PCP was the first one which after 25 April, advanced the idea of a policy of austerity since we started with the situation such as it really was and that situation was--and continues to be--the difference between our consumption and our output and the need for establishing a balance between national consumption and national output. That difference can be compensated for by foreign earnings of an exceptional nature, particularly the remittances from emigrants and possibly a positive balance in the services [utilities]. But, to develop the

national economy, it is necessary for the national output to come as close as possible to the consumption volume. In expansionist policy concerning production and restriction concerning consumption, to be implemented by the best-supplied classes and those with the highest income.

For us, an austerity policy does not mean austerity for the workers and more wealth for the best-off classes. That policy must start with a reduction of major consumption items. This being so, it was possible for criteria similar to those which we defended to be adopted in fact--partly, of course--by some of the provisional administrations. We must not confuse the austerity policy of some provisional administrations with those of the last administrations, particularly the Mota Pinto cabinet.

Economic recovery was seriously harmed by the last several administrations, particularly the Mota Pinto administration, because it did not adopt a policy in accordance with the economic changes that were taking place in Portugal. They adopted the methods, the recipes, and the cliches of monopoly state capitalism.

We did not adopt a position that differed with respect to each of the various administrations on the matter of austerity. It was the policy of the administrations that was different and we therefore had to come up with different responses. The fascist-leaning administration of Mota Pinto, turning against the workers, pursued a policy which had nothing to do with austerity but which did castigate the working classes and which proceeded to indemnify the big capitalists . . .

DN: And you disagree with those indemnities?

AC: Absolutely.

DN: Even for the little stockholders?

AC: Regarding the little stockholders, we agree with indemnities. That was part of the PCP program approved in 1965, at the Sixth Congress held secretly and confirmed by our congresses in 1974, 1976, and 1979.

Alentejo and the North

DN: There has been much talk about Alentejo and there has been little talk about the rest of the country in agricultural terms. Critics of the PCP say that it is strange that the PCP is concerned above all with the problems in Alentejo, with the issue of farm labor wages in Alentejo but, on the other hand, it has relatively little to say about the problems in agriculture in other parts of the country, specifically in areas with very small farm holdings.

AC: We are familiar with those critics; I know that some of their criticisms may be valid. I am not accustomed to quote from things that I wrote

but I can quote to you one article, a "contribution to the study of the agrarian issue in Portugal," with hundreds of pages on the situation of small and medium farmers and on the situation in areas with very small farm holdings. I do not believe that any other party studied those problems in greater depth, nor that any other party is acting so consistently in defense of the interests of the small and medium farmer.

DN: Somehow, the PC [Communist Party] keeps stressing Alentejo above all. . .

AC: The journalists have asked us 30 questions on Alentejo and one on the North or the Center. Let us look, for example, at the question of rural land leasing. We know that, in the area of Porto and Braga, tenant farmers account for more than half of the small and medium farmers and we know that rural landleasing is widespread throughout the North and even in the Beiras [sections]. After 25 April¹, our party and other democratic forces pushed through the Rural Land Leasing Law which guarantees the tenant farmers many fair rights.

When we got into 1977, a year we called a year of legislative counterrevolution, because of the bill submitted by the PPD, which was passed also with the help of the PS, those rights, which the tenant farmers had won against the rich landlords, were eliminated and a situation was created in which the benefits were lost, a situation in which the right to a written contract was lost, and a situation when the landlords were given the opportunity to undertake hundreds upon hundreds of expulsion actions which took away from the tenant framers everything they had gotten through their own efforts or those of their families. As far as the tenant farmers in areas with very small farm holdings are concerned, the PCP has fought and continues to fight to make sure that the rights of the tenant farmers will be recognized.

Regarding the small landowners in areas with very small land holdings, it is interesting to listen to what they have to say. They are in regions where the average farm holding sometimes does not even come to 2,000 square meters in other words two-tenths of a hectare. When they are told: "Do you know what a big estate in Alentejo is?" It is a strip of land running from Algarve all the way to Minho, 100 meters wide, they cannot grasp the fact that there would be a man or his family who may have so much land. We think that the small farmers do not have enough land. With what little land they have, they must get technical support, in terms of a more highly developed agricultural system, more investments, cheaper fertilizer, help in shipping their products out, support in milk production and for cattle raising. They need the kind of support which they did not get. They need a sales network which presently is not favorable to them and which many times falls into the hands of the big middlemen who pay them a starvation price in order then to sell the items on the consumer market at prices which most of the consumers cannot afford anyway.

As far as the common land is concerned, there are council districts where they have a common-land area that is an integral part of regional agriculture

and that is indispensable to the subsistence of the people. The 1975 common-land law recognizes that common lands must be managed and administered by the people to the benefit of the people and there are hundreds of partnership commissions throughout the country that administer common land. However, a law of the PPD tried to have the common land handed over to local government, to the city assemblies. And who runs those assemblies in the North, in the areas with very small farm holdings? Is it the small farmers or the small tenant farmers? No, it is the rich landlords, the moral bosses, those who, as during the time of fascism, claimed the common land and seized or wanted to seize it.

Regardless of whether we are dealing with the issue of common land, lands leasing, defense of small holdings, product shipment, and fixed producer prices, the PC really defends the interests of the small and medium farmers.

Leaks in Banking Secrecy

DN: I would now like to ask you a question which has come up lately and which seems to concern the prestige of the nationalized banks, a question relating to the failure of bank secrecy.

AC: The nationalization of the banks was an essential measure. This did not involve the nationalization of the banks as such but the nationalization of the bank. There are those who claim that this was not the nationalization of just another sector of business. That is not true. As we know, the bank was not just an institution for banking activities; it was a way of concentrating capital, of control by monopoly groups that ran the industrial enterprises, of transportation, and that in effect was the fundamental point of merger of big capital into huge monopoly groupings.

Concerning the specific issues you raised, we are in favor of banking secrecy. This is a standard principle in banking practice which must be implemented. Lately there have been cases which did not so much involve a violation of banking secrecy but rather a reporting of activities that are fraudulent with respect to the bank itself and to the state.

DN: But somehow, this involves the failure of bank secrecy. . .

AC: Somehow, yes. But this is not a matter of disclosing a business deal or a financial situation of some outfit; instead it means reporting a crime, a completely irregular situation, covered moreover by managers who seem to have a very special interest in protecting situations that cause serious damage to the state and the country.

DN: And do you believe that another crime should be committed for the sake of defending a presumable crime?

AC: We are for banking secrecy. We think that, whatever came out of all this, should have come out through the bank managers--that would have been

much better. But it is certain that we would never have found out about all of these things if there had not been that breach of secrecy, as you said.

DN: But do you not think that the breach of security here can affect the honor of the nationalized banking system, that it can provide incentive for the unlawful removal of money abroad or even the option by foreign banks represented in Portugal?

AC: Emphasizing the flight of capital from the banking system--because of what has been called the breach of banking secrecy--actually means encouraging the flight of capital.

Instead of tackling the specific issue (whether or not Dr Sa Carneiro owes the bank 25,000 contos, whether or not the big monopolists owe millions of contos to the bank), the reactionary parties stressed the issue of banking secrecy violation. The basic thing is to determine that there are those debts in the bank and to put an end to that situation which is a cancer in nationalized banking.

DN: But do you believe that the possible breach of banking security does not in any way whatsoever affect confidence in the nationalized banking system?

AC: That depends on whom you are talking to. Honest persons will not be affected, I think. If there are persons who were thinking of utilizing the nationalized banking system for certain transactions, it might be a good idea for them to realize that the national banking system will not play along.

DN: But do you not think that banking secrecy is a sacred rule?

AC: The freedoms of the citizen are sacred; the integrity of individual life, the honor of individuals, democracy, and national independence--those are sacred.

The PCP and the Fourth Administration

DN: If it were to turn out impossible to form an administration on the basis of the results of the next elections, will the PCP support the continuation of the current administration of Maria de Lurdes Pintasilgo until the 1980 legislative elections?

AC: That question is not relevant. Right now we have to hold elections. Since the defeat of the reactionary parties can be anticipated, along with the continuation of a majority of communists and socialists, the thing is to turn that numerical democratic majority into an effective democratic majority. And that is the point at which we get together.

According to the constitution, the president of the republic, in appointing the prime minister, must take into account the election results. Any other assumptions can be contemplated only if such a solution were not possible.

DN: Are the recent measures which have already been implemented or which are in the process of being implemented in the area of mass communications moving in the direction pointed up by the PCP?

AC: We know of some specific measures concerning the removal of persons who were members of the government mass communications organs, where they held positions of responsibility, real propaganda agencies for the various parties concerned. Those were people without any serious approach and without any suitability for the jobs they were doing.

However, so far, the government mass communications system continues to be an instrument of lies, propaganda, and electioneering for the reactionary forces. Some programs, such as the 2000 news of RDP [Portuguese Radio Broadcasting Company], are real sounding boards for the reactionaries, for the perversion and manipulation of public opinion. I cannot fail to recall that RTP-2 [Portuguese Radio-Television Systems Channel 2], at this political juncture is taking the liberty of organizing programs which supposedly are devoted to the history of the political parties but where the program devoted to the PCP, full of all kinds of comments, is a real falsification and boils down to making fun of the television audience itself. If the mass communications system continues this way, then we do not see how it can remain in line with the declared objectives of impartiality, neutrality, and pluralism, which were announced and whose materialization is essential in guaranteeing democratic conditions in the elections.

The Presidency and the Armed Forces Chief of Staff

DN: What is the PCP's judgement on the actions of Gen Ramalho Eanes as president of the republic? Could your party support a reelection bid by the current chief of state, at least for a second term and in an implicit manner?

AC: It is still too early and it is rather untimely to talk about people running for the office of the president of the republic. Many things can change in the Portuguese panorama until then. As you know, news items of varying origin already announced numerous candidates who are getting ready: Generals, other officers, a few civilians. It is therefore doubtful that all of those candidates will really run in the end. It might even happen that persons whom nobody is thinking about will come out as candidates.

DN: How does the PCP view the accumulation of functions of the CEMGFA [Armed Forces Chief of Staff] by the president of the republic?

AC: That question has to be considered within the context of the Portuguese revolutionary process and the complex creation of the new democratic system. That accumulation still reflects the role which the military played in ousting the fascist dictatorship and in the intervention which the armed forces continue to carry out in Portuguese political life. This is not a question that can be considered from the theoretical angle; instead one must take specific situations into account. There are political forces which now advocate the combination of these two offices and which then again protest against it. They defend the idea when they expect that, in the specific situation, a new CEMGFA would not be his own man. And they challenge it when they assume that, relieving the president of the job of CEMGFA, that position would presumably be taken over by a person who has the confidence of those same forces.

As a result of the growing strength of the democratic system, the combination of these two jobs will cease to make sense. So far, within the complex evolution of the national situation, we believe that, overall, it has been a factor working toward unity and stability in the armed forces and the democratic system.

DN: Does this answer indicate that the PCP would rule out a civilian candidate for the office of president of the republic in the 1980 elections?

AC: No. We do not rule that out. Nor are we in favor of it right now. This question will have to be taken up later. Many aspects of the national situation will have to be clarified by then so that a specific decision may be adopted.

The PCP's Record

DN: The PCP has generally classified the PSD and the CDS as "fascist" parties or at least as "fascist-leaning" parties. But that has not always been so because at times there were attempts to establish dialogue bridges, specifically with the PSD. During this preelection interval, the PCP resumed its most radical language on this score. Why all these "nuances?"

AC: We never changed our basic estimate of the PSD/PPD and the CDS although we did call them "fascist" parties. We did say that reaction and fascism are hidden behind their "democratic" facade--and that is an entirely different thing.

What we accepted at a certain point in time was the formation of an interim administration until the elections with representatives from the four major parties. Not in terms of "bridges of dialogue" but in the search for a solution that would prevent the formation of a reactionary administration with the mission of reducing the elections to a farce.

Our accusations today are more serious because both parties lost their cool and are openly embarking upon the road of ideological subversion without any

scruples, with the most infamous slander, stirring up, if not organizing terrorist provocation.

Completely pursuing a coupist policy, those parties more than ever before constitute a threat to democracy now. The defeat, which they can expect to suffer in the elections, will help frustrate their plans for restoring the economic and political power of the monopolies and the big landowners, of destroying the democratic system and establishing a new dictatorship.

DN: Dr Mario Soares recently said during an interview that the PCP "combines great tactical flexibility with great strategic rigidity." What really has changed in the PCP since the party, which in 1975 participated with extreme left-wing formations in the controversial FUR [Front of Revolutionary Unity], until the party which, in 1970, received Enrico Berlinguer the advocate of the so much debated Eurocommunism?

AC: It was not the PCP that changed; it was the situation that changed.

Our party's Sixth Congress was held underground in 1965; it approved the party's program. In the program we spelled out the fundamental objectives of the anti-fascist revolution: 1. Destroy the fascist state and establish a democratic system; 2. Do away with the power of the monopolies and promote general economic growth; 3. Implement the agrarian reform, giving the land to those who work it; 4. Raise the living standard of the working classes and the people in general; 5. Democratize education and culture; 6. Liberate Portugal from imperialism; 7. Recognize and assure the peoples in the Portuguese colonies of the right to immediate independence; 8. Pursue a policy of peace and friendship with all peoples.

A party's program does not spell out temporary objectives connected with the particular situation. It spells out objectives for an entire phase of social evolution and historical developments.

The PCP program, passed in 1965, concerned the antifascist revolution which the party defined as a democratic and national revolution.

The Portuguese revolution, started on 25 April, was aimed at proving the correctness of the analyses in the definition of objectives contained in our party's program.

Not all of the objectives of the democratic revolution were achieved but some of the essential ones were attained. The democratic revolution (which constituted social progress, not just a revolutionary act) thus is not yet finished.

The PCP, unlike other parties, is not a party that has a program designed to win votes and that pursues a policy contrary to its own program. The PCP acts to implement its own program.

We believe that the objectives of our program (confirmed in succession at the Seventh, Eighth, and Ninth congresses, held after 25 April) are entirely in line with the interests and the most profound aspirations of the Portuguese people and the Portuguese fatherland.

From BUR to Berlinguer

DN: Now, what about Enrico Berlinguer's visit?

AC: As for the visit of Enrico Berlinguer, it took place within the context of the development of relations of friendship and solidarity existing between the PCP and the PCI [Italian Communist Party]. I myself was in Italy in 1977 on an invitation from the PCI and there I met with Berlinguer and the PCI leadership; I also had other meetings with Pietro Ingrao, president of the Chamber of Deputies; with Carlo Russo, chairman of that chamber's foreign policy committee; with Bettino Craxi, PSI [Italian Socialist Party] secretary; with Oddo Biasini, of the PRI [Italian Republican Party], and with Pier Luigi Rumita, of the PSDI [Italian Social Democratic Party].

Berlinguer's visit to Portugal thus is completely natural and has nothing to do with any change in PCP policy.

The visit was set up a long time ago. It was not made at the beginning of the year because political events in Italy did not permit it. It was then held with extraordinary success in terms of the development of brotherly relations between the two parties and the unity of the communist and worker parties in general. It was also a contribution to the development of relations between the two peoples and the two countries.

DN: And what about the FUR?

AC: The policy of rapprochement, understanding, reunification, and reorganization of the MFA [Armed Forces Movement] was the only one which, during the existing situation, was in keeping with the interests of the revolution.

That policy was defended by the PCP before, during, and after the resignation of the fifth provisional administration. The administration took over on 8 August 1975. On 10 August, in a full meeting of the PCP Central Committee, examining the situation, the deterioration of the split and a possible armed confrontation were considered extremely dangerous. The Central Committee came out in favor of the need for the search for a political solution.

It is true that, at certain moments, as happened to the military left, some sectors of the party might also allow themselves to be tempted by the idea of an alliance with the leftists.

A participation of the party in a provisional secretariat for the organization of a demonstration of agreement with various left-wing and leftist

organizations (FUR) had no viability whatsoever and did not last long. The agreement fell apart, as was to be anticipated, two days after it was established. First of all, because, during the big demonstration, the leftist wanted to impose their slogans. Secondly because the PCP, in its independent action, implementing the line of its Central Committee, took the initiative of proposing the search for a political solution.

In a declaration made public on 20 August 1975, the PCP warned that a rupture within the MFA "instead of contributing to a solution of the crisis, would give rise to new factors of instability and internal conflicts which the counterrevolution would not fail to exploit." "The strengthening and the very existence of the MFA depend, not on the hegemony of one of its sectors, but rather on a serious, responsible, and immediate effort aimed at negotiation and understanding." Concerning the fifth provisional administration, the PCP expressed its support for the prime minister but declared that it was "open to participation in the search for solutions to resolve the crisis, to strengthen the cooperation among the revolutionary forces, to reorganize the political establishment and possibly the government" (AVANTE, 21 August 1975).

Finally, during the press conference on 28 August, a meeting of delegations from the office of the president of the republic, the Council of the Revolution, the provisional administration, the three main groups in the MFA (left, COPCON [Continental Operations Command], and Nine) of the PS, the PCP, and some of the parties in the FUR, at that time closely linked to COPCON, was proposed (AVANTE, 4 September 1975).

That proposal was not well received. The military left, worried at that time about an approach to the leftists, incorrectly decided to permit conversations with the Nine and with the PS whom the leftists accused of being "fascists." The Nine were already embarked upon a broad mobilization to force the downfall of the fifth administration and to bring about the defeat of the left. As for the leftists, they accused the PCP of "treason" only because it refused to enter into a lot of revolutionary talk or adventurism.

Events demonstrated two things: First of all, that the leftist orientation, full of sterilizing sectarianism, could only lead to disaster. Secondly, that the PCP's position was the only one, in the light of the situation prevailing at that time, which was consummate with the interests of the revolution.

Let no one think that all of these considerations were only considerations of the moment. No. They are the precise text of the reports which I submitted to and which was approved by the Central Committee for our party's Eighth Congress held in 1976. They make up the addition entitled "A Revolucao Portuguesa, o Passado e o Futuro" [The Portuguese Revolution--Past and Future], pp 160-161.

The Question of Eurocommunism

DN: Concerning Eurocommunism, the PCP's reservations toward this innovation and even toward the validity of the concepts are well known. Why does the PCP still refuse to participate in a broad and public debate on that issue?

AC: The PCP states its own ideas, with full clarity, about the crucial problem concerning the so-called tendency of "Eurocommunism"; that includes the problems of the revolutionary process, its specific national characteristics and its universal features; the problem of political democracy and economic democracy; the problem of formal liberty and effective liberty; the problem of the scope and validity of revolutionary lessons learned, specifically the socialist revolution, etc.

But, as you know, we are not engaging in a polemic with the communist parties that claim to be Eurocommunist. Those parties express their ideas and we express our ideas.

We are aware of the eagerness with which the reactionary forces stress the differences of opinion and the disagreements among the communist parties.

Right-wing and extreme right-wing newspapers and publications print much more about "Eurocommunism" than the democratic newspapers. They try to overemphasize the disagreements and differences of opinion, they discover or stimulate ruptures between communists in various countries. They launch ideas about public debate, also with spokesmen of the right, naturally about this particular subject. Our party's attitude, a long-standing attitude, by the way, is not to go along with those campaigns, nor to facilitate such initiatives which are aimed not so much at clarifying problems but rather at deepening the cracks between the communist and worker parties.

We expose and disclose our opinion on basic issues. We hold brotherly discussions with the brother parties on all problems, specifically those on which there are disagreements.

At the same time we maintain and we seek to strengthen relations of friendship and cooperation with the communist and worker parties in other countries on the basis of mutual respect, noninterference, and reciprocal solidarity.

The recent visit to Portugal by comrade Berlinguer is a clarifying example and bears witness to our orientation and its positive results for the cause of democracy, national independence, and socialism.

DN: The Portuguese communists justified their refusal to accept the principles of their Italian and Spanish companions because of the "specific nature of the situations" which each of them faces. But there are basic issues which have nothing to do with geographic boundaries, such as, for example, the abolition of Marxism-Leninism carried out by the PCE [Spanish

Communist Party). In the European part of Portugal in 1979, does the PCP continue to recommend Marxism-Leninism as the way to socialism?

AC: Marxism-Leninism is a doctrine which comprises, as essential points, the materialist concept of history, the economic theory and explanation of the moving forces of social evolution and of the revolutionary process.

Marxism-Leninism is not "one way" to socialism. Marxism-Leninism provides a theoretical foundation for the scientific analysis of social reality and the discovery of its fundamental contradictions and the lineup of the class forces. Marxism-Leninism is a powerful instrument in guiding the workers in their struggle for a better society.

But it does not come up with any patent prescription nor does it have ready answers to be applied to the solutions of problems, nor does it have any "roads" to socialism. According to a famous saying, Marxism is not a dogma but a guide for action. Doctrine becomes richer due to experience and investigation of events, new realities, and new phenomena. Marxism-Leninism is a doctrine which is constantly growing and becoming richer by virtue of the experience of the worldwide revolutionary process and by virtue of the collective contribution of the international communist and worker movements.

Marxism-Leninism enriches observation, strengthens independence of opinion, and stimulates the creative spirit.

Anybody who abandons Marxism-Leninism deprives himself of a basic instrument in analyzing reality and in defining a correct orientation. He ends up ideologically poorer and less independent.

The PCP and Formal Democracy

DN: In the society for which the Portuguese communists fight, will there be room for so-called formal democracy, with change in administrations resulting from elections in which various parties, specifically non-socialist parties, participate?

AC: I would once again refer you to our party's program, stressing that this is not a program made for the moment but that it is a guide for our activities over the past 14 years.

Concerning civil liberties and the democratic state, our program is quite explicit, to wit:

"Creation of democratic organization of the state, with a single legislative chamber, elected by direct, universal, equal, and secret suffrage, by all citizens over the age of 18. Appointment of government [cabinet] by the chamber, government to be responsible to the chamber."

"Institution and guarantee of labor union freedom, freedom of speech, of press, of association, of assembly, of strike, and demonstration."

"Freedom of communication and dissemination of beliefs and ideas for believers and nonbelievers, guarantee of religious worship. Separation of state from church."

"Establishment of equal rights for all citizens, regardless of sex, level of education, and economic situation."

The constitution approved in 1976 states almost all of those principles.

It is known that the PCP understands that all of the country's problems can and must be solved within the constitutional framework and that, on the basis of the consolidation and continuation of democratic transformations achieved after 25 April (specifically, nationalizations, agrarian reform, and management control) one can advance toward socialism within the framework of the constitution.

In Portugal, political democracy is inseparable from economic and social democracy. It is not we communists who jeopardize "formal democracy." It is the reactionary forces who are threatening it (specifically, the PPD and the CDS) and whose plan is to destroy, along with revolutionary gains of an economic and social character, the revolutionary gains of a political character, in other words, the democratic system itself.

DN: Justifying the criticisms expressed by the PCI with regard to the real situation in the USSR and the socialist countries of the East, Enrico Berlinguer said in 1969 at his party's 12th Congress: "Faith in socialism is sustained by truth, by rigor in historical and critical investigations." Do you go along with that?

AC: Our position on the real situation in the USSR and the socialist countries is known. Socialist revolutions produced profound and positive changes in economic, social, political, and cultural reality. Liberation from capitalist exploitation in those countries created basic conditions for rapid economic growth and for material and cultural wellbeing among those people. The achievements of the socialist countries constitute an important stimulus to the workers in the capitalist countries as well as to the people who are still subjected to imperialist rule and to those who, after having gained their independence, undertook the construction of a new society.

As for respect for the truth, this is a constant feature of our activities and our situation estimate.

Just recently, talking in Lisbon, I had an opportunity to say that truth is the biggest enemy of the reactionary forces and that it is the strength of the workers and our party. And I also had an opportunity to say that

"if telling the truth were to cost us votes, it would be better to continue to tell the truth and lose votes than to lie in order to win votes."

That tells you enough about our national situation and about the international situation.

The word "truth" expresses a generic meaning, rigor in historical and scientific investigations. Those are concrete, indispensable, and inalienable norms.

The Prague Trial

DN: Why has the PCP so far refrained from adopting a position on the trial of the dissidents in Prague, when the PCE, the PCI, and the PCF [French Communist Party] have already done so, in critical terms?

AC: On the one hand, we are not sufficiently familiar with those trials. On the other hand, it is not our habit to participate in campaigns in which the declared enemies of democracy and socialism appear as the paladins of liberty.

In this specific case, it suffices to read the Portuguese reactionary press. While they daily disregard the human rights of the Portuguese, while they call for the elimination of the freedoms and rights of the Portuguese workers, while they demand that the PCP be outlawed and while they call for the repression of the communists, while they applaud violence and reactionary crimes, they are conducting a systematic campaign against the socialist countries where human rights--according to them--are being violated.

It is a well-known technique to divert the debate on the position of the parties regarding national issues, a technique which the Portuguese people is rather familiar with, toward international issues which the Portuguese people does not know much about.

Now, during this election campaign, we are discussing Portuguese politics, we are presenting our solutions, our programs, we want to give the Portuguese people an opportunity to be enlightened and to vote with a full awareness as to who defends and who does not defend its interest, and what the objectives of the political parties are.

We, for our part, stay within that line of conduct and we will not deviate from it.

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FREITAS DO AMARAL ON ISSUES AFFECTING NATIONAL LIFE

Lisbon DIARIO DE NOTICIAS in Portuguese 7 Nov 79 pp 5-6

[Interview with CDS leader Freitas do Amaral; date and place not given]

[Text] [Question] The Social Democratic Center Party (CDS) has been very critical of President Eanes, specifically, after the Social Democratic Party (PSD) withdrew its support from him. Nevertheless, the Christian Democrats have not yet definitively broken with Eanes as the Social Democrats have done. This results in the fact that there is an alliance between two parties in which one has already broken with Eanes and the other has not. How do you explain this situation? Is it a matter of some special strategy?

[Answer] I will begin by saying that I do not think it is completely true that the CDS has criticized the president of the republic only after the PSD withdrew its support from him. We began to criticize the president of the republic more actively and in a general manner after he named the Pintasilgo government, thereby assuming, in our opinion, a position that is not impartial in the preparation for the December elections.

As for the specific question you asked me, I can reveal that by decisions already taken by the DCS National Council, the position of the CDS has been determined not to support General Ramalho Eanes again if he should become a candidate for reelection to the presidency of the republic. That decision has been taken for reasons that are well known and that pertain to the fact that, in our opinion, General Ramalho Eanes has deviated appreciably from the essential choices of his electorate and consequently cannot merit our trust again in terms of a presidential election.

As for the circumstance of the CDS not stating that until now, in contrast to the position of the PSD; the explanation does not stem from any strategic reason and is simply this: the fact is that the PSD's dispute with General Ramalho Eanes was of longer standing and, therefore, the process developed at two different tempos; so it was natural that our position should have been taken later.

[Question] Do you believe that politically President Eanes is a man of the left? How do you classify him ideologically?

[Answer] It is difficult to classify Ramalho Eanes from an ideological point of view. But I would say that from what I can observe his basic inclination is to the left. That can be seen, specifically on the internal level, in the difficulty he has in dialoguing with social forces that are not of the left; and in terms of foreign policy, where General Ramalho Eanes' sympathies tend not toward a decided or enthusiastic European priority but toward favoring relations with Third World countries.

[Question] In any case, do you feel that at this time, General Ramalho Eanes is strategically favoring political forces such as the Socialist Party or the Portuguese Communist Party?

[Answer] I think General Ramalho Eanes has taken positions and made statements that objectively favor the left and disfavor the Democratic Alliance (AD). Since the appointment of the Pintasilgo government, which is manifestly a government directed against the AD, followed by the statement that in his opinion the ideal government would be a Socialist Party-Socialist Democratic Party (PS-PSD) government, (which objectively means an attempt to destroy the Democratic Alliance), as well as actions such as this quite recent one of holding a roundtable on the new world economic order under the direct guidance of Lieut Col Melo Antunes...

[Question] They have called you indirectly the heir to "proudly alone" [Salazarist slogan], with isolationist tendencies that could lead to an autocratic policy.

[Answer] That statement was made somewhere but I do not think it was directed at me. Someone such as myself, who supports the incorporation of Portugal in the Common Market and, therefore, assumes a supranational position is, by definition, a person who is 100 percent opposed to an isolationist policy; furthermore, everybody knows my thinking and the CDS program in the area of foreign policy, which is everything that is least isolationist. Finally, I believe that someone who since 1974-75 has led his party to join a European democratic international such as the European Union of Christian Democracies and who at this moment holds the position of vice president of that same international, by election of his peers, cannot in any way be accused of being a closed nationalist or an advocate of isolationism. I believe, therefore, that if that criticism was aimed at me, it missed the mark completely.

Prospects for the Alliance

[Question] Let us assume that the alliance does not get an absolute majority and that in this case the PS invites the PSD to join in an agreement for formation of a government. Let us suppose then that the Social Democrats accept that agreement. What would be the position of the CDS? Will the

Democratic Alliance end? Continuing this same line, we would like to ask you the following question: What is the time-frame of the Alliance? In case of defeat, will it continue after the interim elections?

[Answer] What is stipulated in the text of the agreement that established the Democratic Alliance is that the alliance will survive and will continue at least until the end of the legislature with constituent powers, that is, until 1984. And that is so whether the Democratic Alliance wins the elections or is defeated. So that even if by chance we should lose these elections (which I do not believe), the Democratic Alliance would still remain united in the opposite. For that reason, I am convinced that the PSD will not accept an agreement with the Socialist Party, which would mean objectively the destruction of the Democratic Alliance. We will either have an absolute majority and govern or we will not have an absolute majority and remain united in the opposition.

[Question] What possibility is there of a merger of the three parties that comprise the AD, forming a sort of Democratic Center Union (UCD) [Spain]?

[Answer] That possibility is not on our political horizon. The situation in Spain was and is very different from the Portuguese. Besides, the merger of the three parties into a single one probably would not only not give us more votes but would make us electorally weaker. Tripartite pluralism is an enriching rather than an impoverishing factor for the AD. In the area covered by the alliance, there are several tendencies, various feelings and different ideologies; it would not bring any advantages but rather disadvantages to try to reduce that rich diversity to the monotony of a single, concentrated structure.

The Future of Freitas do Amaral

[Question] The newspapers connected with the alliance mention you as vice prime minister in a government presided over by Sa Carneiro in the event of an alliance victory. They also suggest the possibility of your assuming the position of president of the Assembly of the Republic, which is the second position in our institutional hierarchy. At the same time, they mention the possibility of your running for the presidency of the republic for which--we quote--you have the "ideal qualities." Thus, it seems that your immediate political future is still not very clear. Do you want to tell us what you really "intend to be" in the event of an alliance victory?

[Answer] Of those three positions suggested with regard to me, there is one that is excluded from the outset: namely, the presidency of the republic. Despite the fact that I have been urged to do so from various sides, I would not accept the position under any circumstances. As for the rest, nothing has been definitely settled yet and only after the elections will the problem be resolved. Our concern in the context of the Democratic Alliance was not and is not to divide power, it is to confront the national problems and to

achieve the best solutions for them. For that reason, up to now we have only concerned ourselves with national problems; we have not made any distribution of positions. But both possibilities cited in the question are possible. My only concern is to serve the country at the position that at any given time may be considered the most useful.

[Question] When you peremptorily exclude the possibility of running for the presidency of the republic, are you thinking only in terms of 1981 or do you extend that to 1985?

[Answer] A politician should never make a vow for all eternity. I am referring, naturally, to the forthcoming presidential election.

[Question] Were you touched by Dr Mario Soares when the PS secretary general said that you had a great political future?

[Answer] I believe Dr Mario Soares only spoke the truth.

The Intervention of the Church

[Question] How do you view the intervention of the Church on the eve of elections? Do you consider that it is interfering in areas that are the exclusive prerogative of the parties or that it actually has the right to motivate the faithful to exercise their right to vote?

[Answer] I believe that the role of the Church has been very positive and that it does have the right to motivate the faithful to exercise their right to vote.

What the Church has done is perfectly in accord with the doctrine the Church has always defended and has the obligation to disseminate. Basically, it is a matter, in the first place, of combating abstention, urging them to fulfill their civic duty to vote; and in the second place, of telling the faithful that there are certain ideologies that are incompatible with the Christian faith. Having said this, there is still a wide margin for the free political choice of each one, also in accordance with the doctrine of the Church. I think that only those who gamble on obscurantism, who think that it is necessary to create conditions so that the number of abstentions will be high can find fault with what the Church has said. Basically, it is guidance that is very similar to the one that in 1975 advocated a blank ballot or a void ballot as a genuine and useful means of expressing the popular will. Guidance of that kind does not belong in the framework of a pluralist democracy of the Western type. What is sought in an election is to determine the will of the people and, therefore, the stronger, the broader and the more consistent is the expression of popular will, the better may be determined the way the people want the country to be governed.

[Question] There are those who consider that the CDS was "subordinated" in the alliance lists, and has even aroused reactions in some Centrist quarters. Is there any basis for that alleged "subordination?"

[Answer] It is not true that the CDS has been subordinated in the alliance lists. As is already publicly known, the negotiation of the joint lists was carried out on the basis of a criterion. That criterion, which is objective, even mathematical, is the following: the proportion of the candidates of the CDS, the PSD and the Popular Monarchist Party (PPM) in the Democratic Alliance lists is strictly the same one that prevailed in the 1976 elections. The whole composition of the lists with slight variations, which offset one another on the national level, faithfully reflects that criterion.

The point that perhaps has been less well understood is that of the CDS having only the right to head the district lists in two districts while the PSD heads them in all the others. The truth is, however, that that is also the product of the 1976 results. That year, the CDS led the PSD in two districts and the PSD led the CDS in the others. It is natural that the head of the list in the districts where the PSD received more votes should belong to the PSD and that it should belong to the CDS only in the districts where the CDS led.

The Lurdes Pintasilgo Government

[Question] The Democratic Alliance--and in it the CDS--has been extremely critical of the government headed by Engineer Maria de Lurdes Pintasilgo. Is it merely for reasons of preelection strategy or for other reasons? In the second alternative, what are they?

[Answer] One must make a distinction between two things: one was the formation of the Pintasilgo government, the other is its performance from then 'til now. As for the formation, our basic criticism was that because of political and ideological position of the prime minister and later of the majority of the ministers that she called to form her cabinet, the executive team did not offer guarantees of neutrality and impartiality in the preparation of the elections. As for the performance of the government, in my opinion, it has been very poor. This government is an ineffective government; it is a deeply divided government and it is a government that displays great timidity in the face of the Communist Party.

I believe that the country has not benefited at all from its performance and that week after week the basic problems remain unattacked while new problems that did not exist are unnecessarily created by the government's poor management. At the same time, I believe that these months of performance of the Fifth Government have fully confirmed and demonstrated how correct were our predictions that the government would not be impartial in terms of preparation for the elections.

[Question] What is your opinion of Lurdes Pintasilgo and the way she has run the government?

[Answer] My opinion about Lurdes Pintasilgo is as follows: from a personal point of view, I have nothing to add to what I said when she was appointed. As head of the government, I believe she has performed poorly and that she has not succeeded in making the government a cohesive and operational team. I have not noted any influence of hers in the conduct of the government. This government is a divided government, it is a government that has no kind of cohesion and in many cases even gives the impression of being a team that operates as a selfmanagement system. I believe also that it is apparent that Maria de Lurdes Pintasilgo has lost almost all of the illusions she brought when she came from Paris.

In everything she says she gives one to understand that to govern is, after all, much more difficult than she thought. The image she projects in her interviews and her movements around the country is that of a dispirited prime minister.

Private Enterprise and the Public Sector

[Question] It seems to be the clear intention of the alliance to expand the area of private enterprise, restoring private banking and insurance companies in the country. Is it the intention of the alliance to reestablish a strong private sector, subordinating the public sector?

[Answer] It is indeed the intention of the Democratic Alliance to establish a stronger and more powerful private sector in Portugal and a smaller but more efficient public sector. The state should perform its functions well, but it should perform only its own functions and not also those of individuals and companies.

In our opinion, only private enterprise will be able to resolve the current economic crisis. Setting aside ideological questions, considering the specific situation of the country and the economic crisis delineated at this moment in Portugal, only private enterprise is in a position to pull the country out of the crisis. The fight against inflation, the fight against unemployment, the reduction and elimination of the deficit in the balance of trade are only possible with a policy of development--with the increase of production, of investment, and of exports--and all of this can only be achieved through the private sector; because at this time the strategically priority sectors in a policy of development of the country are agriculture--the annual deficits of which are the cause of our unfavorable trade balance because we have to import more than half of what we eat--as well as tourism, civil construction, and the export industries. In all of these areas--agriculture, tourism, civil construction, export industry--the private sector is the most important and by far the predominant one. So that only by favoring and supporting the private sector, especially in those areas will it be possible to lay the foundation for the drive toward the development that will resolve the country's economic crisis.

Of course the public sector has and will always have its role, which is an important one, but the error is in thinking that the public sector is a panacea to resolve all of the country's ills, or that it can even be a determining element in the drive to overcome the crisis. In our opinion, the public sector can be an important regulating element; it cannot be the driving force of our economy. Increasing speed of a car on a highway does not depend on the steering wheel, the brake lever, or the clutch; it depends above all on the accelerator.

[Question] In the case of banking and the insurance companies, do you confirm the intention of the alliance?

[Answer] Yes. It is our intention in the terms of the program of the Democratic Alliance already published gradually to open the various sectors of economic activity to private investment including specifically the banking and insurance sectors. Except that we are not going to denationalize the banks and companies directly nationalized. Those direct nationalizations are untouchable and do not bear on the constitution. We intend that there be private banks and public banks as well as private insurance companies and public insurance companies.

[Question] And how about the possibility of having private television?

[Answer] In principle, we are in favor of the existence of real pluralism in the media and we are against state monopolies. However, until the constitution is revised, we must take into account the fact that Article 38 states that television cannot be privately-owned. Therefore, in view of the present constitution, it is not possible to authorize the formation of private television companies competing with the existing public enterprise. What is perhaps possible is for the existing public company to operate a channel directly, with its own means, and grant the operation of another or other channels to private companies, which would thus operate as concessionaires of the public television service. It is also possible to admit other forms of collaboration of private companies in previously ordered programs.

The Profile Sketch of a President

[Question] Getting back to the presidency of the republic, Dr Basilio Horta told this newspaper that the alliance was going to choose a common candidate for the presidential elections. The first question: If the possibility of General Eanes being the one is completely out of the question, then who would be the candidate? Define for us the qualities he must have.

[Answer] The possibility of General Eanes being the candidate of the alliance is completely out of the question but no candidate has yet been selected and will not be very soon. I believe that only in the first half of 1980 will the Democratic Alliance choose its common candidate for the presidency of

the republic. As for the profile sketch, I cannot speak here in the name of the Democratic Alliance; I am not authorized to do so; but I will speak in my own name. Personally, the candidate of the Democratic Alliance for the presidency of the republic must be a serious, competent, calm man. Politically he must be a man close to the area of the Democratic Alliance who will accept the conclusion of a formal and public pledge with the majority that supports him. Ideologically, he must be a convinced advocate of pluralist democracy of the Western type, of the participation of Portugal in Nato, and the incorporation of Portugal in the Common Market.

[Question] A civilian or a military?

[Answer] I do not think the problem should be posed in that manner. From my point of view, the problem does not lie in knowing whether he should be a civilian or a military man but in finding the best person to perform well the job of president of the republic. If the best person is a civilian, then it will be a civilian; if the best person is a military man, then it will be a military man.

[Question] And from among the most prominent politicians, do you see anyone who meets those conditions, has those qualities?

[Answer] I see several. It would be too bad for our country if after 8 centuries of history it did not have several possible candidates for the presidency of the republic.

[Question] And do you believe that after such a long tradition of military men in the presidency of the republic, the armed forces will be prepared in 1981 to be amenable to the election of a civilian president?

[Answer] I believe that if a civilian candidate is elected, the armed forces will fully respect the democratic vote of the Portuguese people.

The Council of the Revolution

[Question] The Council of the Revolution has been the target of accusations of alleged attempts to strengthen its powers as its existence as such nears an end. Do you agree with those charges?

[Answer] To reply very frankly, I must say that I have no personal knowledge of any attempts by the Council of the Revolution to strengthen its powers. But it would be very surprising if the members of the Council of the Revolution were calmly to accept the end of their mission and of their present privileged status. I suppose that the efforts they will expend will not be aimed at perpetuating the Council of the Revolution as such but to perpetuate themselves through their presence in other institutions (Council of State, Constitutional Commission, etc.). In that regard, I want to be very clear. As far as we

are concerned, the Council of the Revolution has to end on the stipulated date. Its functions have to be returned to the organs to which they naturally should belong: some to the presidency of the republic, others to the Assembly of the Republic, the government, and the courts.

As for the present members of the Council of the Revolution, I believe the president of the republic should clearly present them the alternatives from which to choose: either to return to the ranks as purely military men without any privileges deriving from the fact that they were members of the Council of the Revolution; or to enter into political activity, perhaps even in party activity, but in that case as reserve military men.

To be completely aboveboard in democratic and political terms, I believe also that none of the present members emerging from the Council of the Revolution should be placed in any of the organs that will succeed the Council of the Revolution, and that specifically they should not be placed in a possible Council of State. It is possible that an organ of the Council of State-type may be appropriate after the forthcoming constitutional revision for other purposes, but never to maintain privileged situations that perhaps were justified between 1976 and 1980 but that cannot be legitimately extended beyond 1980.

The Media

[Question] How do you analyze the current situation of the state-controlled media--radio, television, press--in the light of the recent incidents that have occurred in them?

[Answer] I think the present situation of the state-controlled media is characterized by the following two points: On the one hand, they are not financially better; and on the other, they are politically worse. With rare and honorable exceptions--and in my opinion, the DIARIO DE NOTICIAS is one of them--the state-controlled media are slipping more and more into a situation of dependence vis-a-vis the government, and the government is trying to bring them to submission by the most varied procedures, which is very negative. I will cite only two examples: the dismissal of all the members of the CDS who held administrative positions in the Portuguese Radio and Television System (RTP) and in the Portuguese Radio Broadcasting System (RDP) (where is the pluralism?) and the scandalous case of the dismissal of Sousa Tavares. If the Democratic Alliance wins the elections, as I expect, it will make a serious effort to guarantee impartiality and pluralism in the state-controlled media. In particular, the Democratic Alliance will make it a point to guarantee the opposition parties the right to access to state-controlled media organs, especially television.

Authority in Alentejo

[Question] The CDS has been very critical about events in Alentejo. On what do you base the allegation of lack of "state authority" in that province?

[Answer] I do, in fact, believe that state authority is not fully exercised in Alentejo. There is an Assembly of the Republic law on agrarian reform; its provisions are contested by certain sectors, specifically, by the Communist Party. Contesting the provisions of the law is, by itself, natural and legitimate but the Communist Party and its followers go beyond that, and beyond contesting are physically opposing its application; and there we get into the area of defying the authority of the state.

In the face of this defiance, in the face of physical opposition to the application of the agrarian reform law, what is the Portuguese state doing? Is it imposing its authority, by physical force if necessary? Or does it retreat, negotiate with the violators and close its eyes to the unlawful act? In our opinion, what is happening with the present government (and it happened toward the end of the Second Government, and that is why we left the government), is that the state is negotiating with the violators of the law and is not applying it.

In our view, that is a morally illicit and politically disastrous negotiation. In that way, the state discredits itself, desists, forgoes imposing its will. The truth is that at the present time in Alentejo, the solutions that prevail in terms of agrarian reform are not the solutions voted democratically by the Assembly but rather the solutions negotiated behind the scenes between the governments and the Communist Party. And experience shows that the more one concedes the more one has to concede. Today, ask for one thing, tomorrow that one is taken for granted and ask for something else. It is not a process that guarantees anything. It is not surprising that after several governments that fought for the full application of the agrarian reform law in Alentejo (and I am thinking, for example, of the Mota Pinto government) the most serious incidents that have ever occurred in Alentejo in the matter of application of the agrarian reform law should be taking place precisely at the time of a leftist government--a government that is very understanding and receptive to the Communist Party. In our opinion, this is happening because the state does not have full authority in Alentejo, because it displays timidity and weakness in the face of the Communist Party. And it is precisely when that occurs that the worst happens.

Respect for Legality

[Question] According to some observers, and according to the presidency of the republic, the PCP has respected democratic legality since its defeat in 25 November. Your opinion is different. Could you specify facts that confirm the lack of respect which in your view the PCP has for the democratic system?

[Answer] To reply to that question I will set aside the matter of analyzing the program of the Portuguese Communist Party which, as is publicly and well-known, is to establish a dictatorial regime. The question pertains only to the way the Communist Party has behaved and I will respond on that level. I believe, however, that it is not correct or possible to circumscribe the analysis of the democratic or nondemocratic nature of the behavior of the Communist Party to the period following 25 November. We cannot leave out the behavior of the Communist Party between 28 September 1974 and 25 November 1975, when the PCP tried several times to take over power by force. By chance, did those events not occur? By chance, have their consequences already disappeared? By chance, have their perpetrators already been tried? The fact is that there were not even any changes in the Communist Party. The PCP has not renounced anything: it did not engage in selfcriticism; it did not make any changes in its political leadership. Thus, I believe that it is not possible or valid to assess the behavior of the Communist Party only during the period following 25 November. But let us assume now for a minute that we should analyze only the behavior of the PCP after that date. Has the PCP respected democratic legality since then. It is obvious, as everyone knows, that since that date the PCP has not tried to seize power by force, but that is not the only way of violating democratic legality. There are others and the PCP has used them.

First, in Alentejo in the agrarian reform region, where (as I already said) the PCP hurls a permanent challenge to the authority of the state and opposes the application of a law voted by the Assembly of the Republic. There is a constant incitement there by the PCP to active resistance to the authority and application of the law—which is a serious offense against democratic legality.

Second, during those years, the PCP has promoted numerous strikes that the successive governments in power—from the socialist governments to the presidentialist governments—through official statements, have publicly regarded as illegal strikes. Naturally, the legitimate exercise of that right is not in question. But when illegal strikes are launched or supported, then it is a question of seriously violating democratic legality.

In the third place, the PCP uses and abuses verbal terrorism and constant ideological aggression against its adversaries. Slander, libel, violation of the secrecy of the courts, violation of confidential banking information, invasion of privacy of the individual—all of these are crimes stipulated and punishable by the penal code, which for that reason constitute violations of democratic legality.

In the fourth place, there have been cases of the diversion of official documents and their publication in newspapers connected with the Communist Party, which represents the violation of several constitutional principles, and specifically the one that provides that public officials even though they belong to parties are at the service of the state and not of the parties to which they belong.

In the fifth place, the Communist Party does not guarantee the right of reply to any citizen or institution that is attacked in its newspapers, and that is the violation of a practice and a principle that prevail in all democratic publications in any democratic country. If the PCP wants to be regarded as a party that behaves democratically, it must give an example and welcome in its publications the right of reply by those who have been attacked in time.

I believe that for all those reasons, the actions of the Communist Party have not fully respected democratic legality.

The Question of the System

[Question] The PS (as already said) and the PCP reiterate that if the alliance should win, we will witness a "subversion" of the system. Is that true?

[Answer] They are statements lacking any foundation. We do not want to subvert the system at all. And if the victory of the opposition in a democracy represents subversion of the system, then it is not a democracy. A democracy has to operate on the basis of democratic alternation, and the alternate to the communist and socialist governments we have had is the victory of the parties of the Democratic Alliance.

Our purposes are clear, they have been published (moreover, we were the first political force contending in the elections to publish election program of government) and may be seen; there is nothing subversive there; everything is legitimate and legal tender in any election program of a European type.

Therefore, we do not want to subvert the system. What we want to do is to introduce changes (and significant changes) in economic policy, in social policy and in educational policy that have been followed by governments that have governed the country until now. We are not going to change anything that is essential to political democracy; what we are going to change is the economic, social and cultural content of the system that has been imposed on us.

We are not against democracy. What we are against is the way the governments have governed the country. That is the true essence of democracy: to be able to have significant changes in political policy determined by the replacement of parties in power through elections. If that is not possible in Portugal, then there is no democracy. We are not against 25 April; we are against 11 March.

I have also seen the allegation that if the Democratic Alliance wins, it is going to force the resignation of the president of the republic. But that is perfectly false: we do not have any intention of doing so, nor will we do so. The president must serve his term until the end. And despite

the fact that our position is clearly saying that we will not again support General Ramalho Eanes if he should possibly run for reelection to the presidency of the republic, we have every intention of collaborating with him on loyal and constructive terms as long as there is reciprocity on his part with regard to the AD.

[Question] Do you admit the possibility of an agreement about the system with the PS?

[Answer] Yes, I do. The alliance excludes any agreement for the formation of a government with the Socialist Party. Either we have the absolute majority and govern, or we do not have the absolute majority and remain in the opposition. There will not be any coalition government between the Democratic Alliance and the Socialist Party. But agreements about the system, that, yes, we admit that possibility, specifically with a view to constitutional revision; because the parties of the Democratic Alliance together with the Socialist Party are the main Portuguese democratic parties. And we believe that there must always be a democratic and national dialog with the Socialist Party, a party which in that case will be the party of the opposition; furthermore, just as the Socialist Party when it was in power had a democratic dialog with us, who at that time were the parties of the opposition.

[Question] In the event that the alliance wins and forms the government, maintaining good relations with General Eanes, may it not possibly change its attitude toward the present president of the republic? At the same time, what do you think of the possibility of the Pintasilgo government remaining in power in the event that the election results lead to an impasse?

[Answer] I will begin with the first question. I believe not. That position will not have to be revised and those circumstances, specifically, will not lead to revising them.

As for the second point, our position is very clear in these elections, there is no political force in between the Democratic Alliance and the Socialist Party. Thus, either we have the absolute majority and in that case we govern, or we do not have the absolute majority--and that means that the socialists and the communists will have the absolute majority. It will, therefore, be a victory of the left in the elections. If that should occur, the government must be a government of the left. It does not behoove us to say if it will be a minority government of the PS with parliamentary support of the PCP, or a PS-PCP government, or a presidentialist government with the parliamentary support of the PS and the PCP. That is a problem they will have to resolve among themselves. What we are saying is simply that if we do not have the majority, the majority will belong to the socialists and communists and, therefore, it is in that area that the government will have to be formed. Whether there will be a new government,

or whether despite those election results the Maria de Lurdes Pintasilgo government will remain in power is a problem that will have to be resolved between the president of the republic and Maria de Lurdes Pintasilgo, the PS and the PCP. If the PS and the PCP are satisfied to have the government of Maria de Lurdes Pintasilgo as their own, and if Maria de Lurdes Pintasilgo is satisfied to continue in power only with the support of the PS and the PCP, that is their problem; we will remain in the opposition. Furthermore, that situation will only make it more probable that not having won in 1979, we will win in 1980. But I am convinced, I repeat, that the problem will not arise because we are going to win on 2 December 1979 and we will get the absolute majority, to govern Portugal for the good of the Portuguese.

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CSO: 3101

OPORTO BISHOP COUNSELS PEOPLE TO VOTE IN INTERIM ELECTIONS**Lisbon DIARIO DE NOTICIAS in Portuguese 20 Sep 79 p 3**

[Text] "One might be tempted to think and to say that these elections are useless," says Dom Antonio Ferreira Gomes, Bishop of Oporto, in a document addressed to the topic: "Duty to Vote, Here and Now," which was distributed to the news media. Opposing this view, however, the prelate points out that the 2 December elections, "lacking major legislative and administrative content, become, qualitatively, a higher civic act," and explains that the elections constitute a "choice between civilizational concepts and worlds, a decision between the paths of reform and social peace and those of subversion and violence."

Citing Pope John Paul II in the encyclical, "Redemptor Hominis," regarding the fundamental meaning of the state as a political community, which consists "in that the society which constitutes it, the people, are the masters of their own destiny," the bishop of Oporto stresses that "this is possible only in a moderate or limited state, in which the power is exercised with the moral participation of the society, or the people." He calls this the basic issue that the elections to be held within 2 and 1/2 months put before the Portuguese people.

In a lengthy preface, which could be said to constitute the first part of this important document, the bishop of Oporto refers to the events of October 1975 and examines political behavior since the regime of freedom was installed in Portugal. Specifically, he stresses that the duty to vote is "neither empirical nor temporal (at a particular time in Portugal), but doctrinal and intemporal, a categorical imperative or moral purpose, a requirement of human reason, an axiom of democratic law."

Dom Antonio Ferreira Gomes recalls past facts and, above all, the climate in which they took place, "not only because mental laziness and the desire for individual and domestic tranquility lead us to forget them, but other interests intrude with the same effect," and he asks:

"It is certain that we stood for a time on the edge of the abyss of totalitarianism. Have we learned the lesson? Could it be that we are in a slow and torpid process of degeneration of ethical and political values, of disenchantment with civil and political liberty and the tedium of democratic logomania, unthinking and unscientific, which leads, unintentionally by some and with the serpentine calculation of others, to a worse and more certain totalitarian quagmire?"

The bishop of Oporto continues:

"There are those--persons and parties--who boast and brag that they prevented civil war in Portugal, as if war can be avoided at the pleasure or by the decision of this or that individual. The Portuguese people avoided civil war, by various demonstrations of their will, including their will to resist being pulled into any camp."

Hear of Issue Is Democracy

Arriving at the specific area of the announced elections, which Dom Antonio considers the only form of struggle that is "desirable and legitimate in principle," the document stresses the importance of the December elections, refuting the arguments advanced in some sectors that they are useless. "Well then, it is despite this, and precisely because of this, that these elections, lacking any major legislative and administrative content, become, qualitatively, a higher civic act, because they represent a judgment of the past, a choice of society, a message of the people and the history we represent (to countrymen and foreigners), a choice between civilizational concepts and worlds, a decision between the paths of reform and social peace or those of subversion and violence. An open society and a moderate state, or an absolute state and a society which is atrophied, infantilized, existing by rote: these are the alternatives," the bishop points out.

Dom Antonio then considers that "the heart and the significance of the present elections pertain to democracy, and not directly to a social or any other option." He adds:

"In an age of socialization (of laws, learning, attitudes, communications, individuals, institutions and societies), to base debate on socialism, on the construction of socialism or the socialist path, would seem Byzantine, lacking in conscience, an alibi (not to say factionalism), or simply that word 'sloth,' for which we will stand in judgment, as the Evangelist said. Imperial Byzantium was judged for all the idle words. The socialist path need not be questioned in a democracy, since true democracy is the recognition of the universal phenomenon of socialization and the moral, civic and wise means to achieve it;

but we must cautiously and carefully examine the means, or the seas on which the course is charted."

Further: "If we cannot forget that by 'slogans' and noisy logomanias we have already veered dangerously near the totalitarian quagmire, we must keep well in mind that the basic causes have not been eliminated and that, in fact causes give birth to events and the same causes produce the same effects."

The prelate reiterates the thesis that "it is democracy which is at stake," stressing that "it is the right, and the most serious duty, of the Portuguese people to recognize and assert that they are the masters of their own destiny, to take this destiny in their hands, to choose the future they want and to set the path and the pace of the march to that future."

He continues: "To this end, each one must make a concrete and critical examination of the facts as he has seen them, in the light of immutable principles and also in the changing light of the history we are living, and no one should hesitate to see things differently; it is proof that one is alive and not frozen into immobility."

Before he describes the position of the church, the prelate refers to his own experience in evaluating events. "If I have changed, to the extent that I have changed, it was not to yield to pessimism, but because reality has changed." Alluding to the Revolution of 1974, he says: "To think and speak, after 25 April, as one thought and spoke before it is mental immobility; to think and speak, after 5 years of experiencing civic and political freedom, as one spoke at the beginning is no less mental immobility."

Neither Liberalism Nor Individualism

Urging that the Catholic perspective not be lost in the evolution of political democracy, the bishop of Oporto claims the Christian origin of democratic principles. "The development and growth of the rights of the people in the face of sovereign rights came about in a Judeo-Christian environment, particularly with the Evangelist." He observes at one point:

"Obviously the church cannot and does not accept liberalism, which consecrates the right of the strong against the weak, the exploitation of the many poor by the rich few, the priests of progress. Nor can it nor does it accept individualism, which destroys the social fabric and human brotherhood and is, finally, the ethic of Cain."

Continuing, the Oporto diocesan leader notes: "Well, it is here that the great confusion arises. Many Catholics have believed that in rejecting liberalism the Church was against freedom, and that in

rejecting individualism the Church was against human dignity and the rights of the individual, and hence against democracy. Unhappily, there were Catholics, many and many of them, who called themselves the best and the only Catholics, who by their rejection of everything modern, or 'modernism,' as they denigrated it, provided abundant opportunities for such criticism of the Church. There were, and still are, many of them. It was once a rightist position for good (and exclusive) Catholics; today it is also a leftist position for good Christians--good and no less exclusive."

Considering the need to undo this confusion, Dom Antonio writes, by way of an epilogue:

"Like every living organism, the Church has a right and left side, but it is neither exclusively right nor left; fortunately, for the time being, it is not paralyzed on one side."

Citing Genesis, the prelate also defends the principle of the unity of man, "which must be born in the intimacy of the individual and extends to the family, the neighborhood, the living and working community, countries, continents and, finally, the whole world, which has become 'our village,' this unity of man which presupposes the plurality of individuals and options." Dom Antonio stresses that "to vote is to choose," and that "to choose means to prefer, but not to despise nor to attack."

He concludes: "It has been said that the vote is the arm of the people. Then let all the Portuguese people freely, but consciously and conscientiously, use this arm so that never again shall be heard among us, as in some places, the sound of other arms."

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COMMENTARY CRITICIZES RETURNED BISHOPS FOR SOWING HATRED

Lisbon DIARIO DE NOTICIAS in Portuguese 21 Sep 79 p 3

[Commentary by Raul Rego: "Fatima, Political Tribune?"]

[Text] No long ago we spoke of the attack launched against the rights of man, as counterposing the rights of God, by Bishop Dom Francisco da Mata Mourisca, speaking in Fatima. Actually, this attack, anti-Christian and against post-revolutionary Portugal, is even more surprising in that it comes only months after the joint pastoral letter from the Portuguese episcopate, dated 14 March. The attack of the prelate, returned from overseas after decolonization, does not seem to be consistent with the voice of the metropolitan bishops. Could it be nostalgia for colonialism, in which the rights of man were a dead issue and only one caste was worthy, that of the powerful and the exploiters?

The fact is that shortly after the objurgation of Dom Francisco, who was once bishop of Angola but who was never heard to condemn the domination of a despotic regime that recognized only war and death as a means of persuasion, another voice was lifted from the rumpit of Fatima, this time the voice of Dom Custodio Alvim Pereira, former archbishop of Lourenco Marques, calling for the intervention of the clergy in political rallies, "the participation of the clergy in public acts of political life, principally in certain rural areas." Thus we have the father, not the messenger of unity among men, among all men of good will, but a dedicated political chieftain. He would not be the spokesman for a religion of solidarity, but for a particular political position, sowing division among his parishioners.

Is this surprising? Certainly, because these are bishops who have returned from overseas to preach division among men, to preach against the rights of man, in frontal opposition to the doctrine defended by the bishops little more than 6 months ago. We are loath to accept that on the eve of the elections they would spearhead a political faction within the hierarchy, when this same hierarchy said specifically, on 14 March: "Just as it demands respect for freedom

of religion and its own area of authority, the Church fully recognizes, we reiterate, autonomy in political and other areas of human society." What is said in the collective pastoral letter is not consistent with the doctrine accepted by all the prelates, and is simply a way of cementing the good relations existing in democratic Portuguese society, in official documents, to deceive the unwary; because any prelate can still mount the pulpit of Fatima or any other pulpit and instill his venom, condemning modern Portuguese society for sins it has not committed, seeking to manipulate it in favor of a particular political current, the current to which the docile archbishop of Lourenco Marques has always given obeisance. This man, after his silence about such cases as the expulsion of missionaries from Mozambique, the genocides that aroused the indignation of the entire world, this man had only one correct position: to remain silent and out of sight, living off the democratic Portuguese state on his pension for services he rendered to the totalitarian state. Yet this same man is even now defending the "absolute necessity" that strikes be replaced "by a well-organized labor court," or should at least be regulated by "laws that protect all the Portuguese people from the oppression of small groups." The March collective pastoral letter tells us: "...the Episcopal conference has spoken out repeatedly in defense of freedom of expression and union freedom." We could ask if this is the same "union freedom" that Dom Custodio Alvim Pereira attacks, preferring the meshes of a corporatism like the one that was so much to his taste in the days when he showed off his sweeping robes at the side of the bemedalled uniforms of governors and generals and PIDE [International and State Defense Police] members as well, in the great military processions, in the so-called labor parades. There was a splendor, grandeur and perfect harmony between the gold cross that shone on his breast and the gleaming swords that would next day be shedding so much blood and taking human lives in Wiriamu.

It was a splendid time, when one class, one man, spoke for everyone, generously rewarded those who served them and silenced those who opposed them with censorship, prison and death. We do not know if Dom Custodio Alvim Pereira prayed in secret for all the dead. We are not aware of any public protest against the slaughter. It is not precisely true, as he preaches now in Fatima, that "as much as I am a bishop, as much as I am a father, that much more am I Portuguese." It is not precisely true. In the first place, one is not Portuguese by ordination or episcopal consecration; it is measured by the citizenship of each individual, clergy or layman, officer or peasant. It might be said that the more respect one has for the rights of other citizens and other peoples, the more he is a man, the more he is Portuguese, but to make this depend upon membership in a class, a sector of the population, is utter absurdity; it smacks of the purest clericalism. We believe, for example, that Dom Sebastiao Soares Resende, bishop of Beira, is a thousand times more worthy to be called Portuguese than the archbishop of Lourenco Marques. One,

although he saw they would mutilate his newspaper and then suspend it, clearly confronted the tyrants who trod on the rights of blacks or whites who opposed their tyranny, while the other blessed with the holy water of his archepiscopal hyssop all the outrages that split Portuguese and Mozambican people. The ills we have now, the fractures in Portuguese society, the aroused hatreds, have not come from those who wish all men to be equal, in accordance with the highest evangelical doctrines; they have come from the likes of Dom Custodio Alvim Pereira, those who wish to divide, to create a privileged class, those who think that the more one is an archbishop, the better Portuguese he will be. No so. This man must still answer for the time when, in his newspaper, O DIARIO, of Lourenco Marques, he daily counterattacked efforts on behalf of the right to expression, the rights of man, in accordance with the highest doctrines of conciliation for which Dom Sebastiao Soares Resende's DIARIO DE MOZAMBIQUE spoke out.

Obviously, the former bishop of Lourenco Marques is right in believing that "the bishop or priest outside the church, at a rally, for example, can say anything in his own name." A bishop or priest has the same rights as any other citizen. What he cannot do is betray what he calls his divine mission to foster brotherhood among men. If he wants to go to the public square to argue for his totalitarianism, as he did not in Fatima, let him come, but let him come honestly, disavowing his special mission. For Dom Custodio Alvim Pereira to seek to appear in the public square to take sides with this or that sector, to play politics, and to demand that the citizens, all citizens, respect the sacred nature of his mission, constitutes the sheerest hypocrisy; it is to want the advantages of a mission without the inconveniences that any duty, religious or civic, imposes on us. A military officer may also go to the public square, but he must first cast off the commitments he has made to society to defend all of it (and not just part of it) and take off his uniform. Well, as far as we know, when Dom Custodio Alvim Pereira gave his political speech in Fatima he was wearing his clerical vestments. His fellow bishops said to us last March: "Such an intervention should not be imputed to the church hierarchy, especially if it urges some purpose or is of a nature akin to that of political parties and forces, nor should one commit the abuse of giving [sermons] a partisan interpretation, or of demanding that bishops intervene in areas that are entirely out of their sphere of action." In the end, whom shall we believe, the Portuguese bishops or those who wish to bring the colonialism of the empire back to Portugal?

One cannot "cease to experience the problems of one's country." Certainly; but the best way for us to live in this country, which belongs to all of us, to contribute to its well-being, is to promote unity among citizens and to respect the rights of all, even the rights of political parties. Among the Portuguese there cannot be

Catholic or atheist, military or civilian, black or white, Marxist, Cartesian or positivist. As Christians who do not deny our Christian upbringing but who are not Catholic, we feel that the faith of each individual must be respected, just as his political beliefs or economic ideas. We see absolutely no superiority or inferiority in being Catholic or atheist, Marxist or positivist. The greater the variety of ideas and beliefs and the more mutual respect among citizens, the richer, stronger and more harmonious our community will be. Dom Custodio Alvim Pereira is not of this opinion, and dredges up the already hackneyed issue of Christian-Marxists, as if Christians were forbidden to opt for a particular economic theory. Besides, it seems to us that this is simply a pretext to continue to keep the Church in the service of conservatism, in social and economic policy and other areas of government. This is why the subservient archbishop of Lourenco Marques now rails in Fatima against "those who call themselves Christian-Marxists, for whom the Church no longer has authority and who think they can serve God and the devil." The earlier political speaker in Fatima did not shun this double servitude; he used the pulpit intended for the evangelical message of understanding and love among men to create division and hatred. For that matter, what was Dom Custodio doing in Mozambique with his total silence and tacit approval of an unjust war conducted by brothers against brothers? There are many who serve God and Mammon, and there have been few who, like Dom Sebastiao Soares Resende, prefer resistance in the hour of danger, making the pectoral cross more than an ornament, but rather a symbol of a mission to be carried out.

They do not profane pulpits that should be used for the message of love and fraternal understanding to preach hatred and foster disunity among Portuguese.

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PSOE'S GONZALEZ LOOKS AT CURRENT STAGE OF POLITICAL SITUATION

Madrid EL SOCIALISTA in Spanish 21 Oct 79 pp 4, 5

[Speech by Felipe Gonzalez, secretary general of the Spanish Socialist Workers Party, at the 21st Century Club of Madrid on 15 October 1979]

[Excerpt] Felipe Gonzalez, secretary general of the PSOE [Spanish Socialist Workers Party], spoke on the rostrum of the "Club Siglo XXI" [21st Century Club] in Madrid last Monday, 15 October 1979. Gonzalez was introduced by the president of the Cortes, Antonio Hernandez Gil, and spoke on the topic of "Coexistence and Social Respect." Felipe Gonzalez began and ended his address with a suggestive quote from [Reinhold] Niebuhr: "The inclination of all men to be good makes democracy possible. The inclination of all men to be bad makes democracy indispensable." We reproduce below part of his speech.

Approximation to Our Reality

You will have been able to ascertain that the digression regarding the Caracas colloquy can be useful to help us analyze our own immediate reality.

It is obvious that many of the problems which affect our incipient democracy, disturbing the peaceful coexistence between Spaniards and social respect, are common to other democratic systems. Insecurity as a sequel to economic recession, unemployment, violence, the nonsatisfaction of basic social needs, and so on. Also, a lack of domestic and international solidarity, the pressures of economic powers over political powers, regional and other very diverse demands.

What can be spectacularly different is the answer which we and others give to those problems.

Practically, in none of the democratic countries is the system itself questioned when criticism is made of the problems afflicting them. Among us the critical approach to any of our serious problems involves an implicit or explicit questioning of our system of government. It would seem that with each of the terrorist acts or with each of the national political events we are readying the date of the liquidation of the democratic system. Prophets of doom nostalgic for the authoritarian era frequently prompt us to espouse this attitude without our having the capacity to react firmly to them.

This does not mean that our situation is identical to that of other countries which suffer from phenomena that are in part similar to what we are suffering. It is obvious that in Spain the latter assume greater seriousness in intermingling with others that are specifically ours and which are consequent on the shift from an authoritarian system to a democratic system, from a centralist state to a state of autonomous regions, on the lack of political practice in democracy itself and the legal vacuum which has been produced upon the creation of a new constitutional framework.

Fragile Nature of Democracy

A few days ago at the close of the special PSOE congress I mentioned to my colleagues the fragility of our democracy. I tried to explain some of the fundamental reasons for this and, without doubt, I left in abeyance others which were perhaps of the same importance.

1. Our country is experiencing complicated problems of a political institutional nature while it is witnessing a serious economic crisis and is suffering from social tensions stemming from both situations and the constant escalation of violence and terrorism.
2. Constitutional development is still scanty. Undoubtedly there exists a gap between our penal laws and the new types of delinquency which make the operation of justice ineffective even though we assume that the judges are striving to apply the laws vigorously. But perhaps the challenge implied in the transformation of a centralist state into a state of autonomous regions is even more important and it is no less important to endow the socioeconomic sectors with a sound system of industrial relations.
3. The economic recession has already produced a dramatic consequence of more than 1-1/2 million unemployed workers, amounting to some 20 percent of the economically active population in areas such as Seville Province while clashes between those who have a lot and those who have nothing, even between those who have a job and those who are unemployed, are escalating dangerously.
4. Spanish society has still not entered the associative framework which enables other countries to solidly sustain the democratic system. There have been many years of depolitization and information vacuum. Even now we, the

political, trade union, or institutional leaders, have great difficulty in mobilizing and integrating citizens in the democratic process, perhaps because we are too involved in problems which are important but are remote from the day-to-day concerns of citizens.

5. In the face of the increase in delinquency and the terrorist threat which also afflict other societies, our citizens have the feeling that a power vacuum exists which may find its legitimization not only in the ballot box but also in the moral conviction of defending a system superior to the one we have left behind.

6. All these symptoms promote an atmosphere of lack of credibility in the new institutions, of lack of respect for decisions flowing from them, distrust and passivity in the face of crime, unemployment, the need for greater production and more equitable distribution.

Why is There a Sense of a Power Vacuum?

I am not among those who take advantage of this situation to launch sectarian diatribes against the government, among those who hide with difficulty an ill-concealed desire to return to the past. Everybody knows this and I have demonstrated it inside and outside parliament.

Nevertheless, I believe that it is indispensable that one analyze these questions with a constructive mind in order to try among everyone to overcome the serious deterioration in which our coexistence finds itself.

Why is there a sense of a power vacuum?

Let us take a few examples of what is happening in order to see whether it is inevitable or whether it can be corrected despite the existence of a certain degree of legal phasing out and some inhibiting attitudes in the judicial branch.

In the peripheral districts of our cities there are organized bands of delinquents who rob, extort, plunder, and at times kill in a climate that may seem to suggest impunity. In downtown Madrid they occupy entire districts which are converted into a kind of operational bailiwick for armed and uniformed groups which sow terror among city-dwellers and at times produce such hateful spectacles as the beating to death of some individuals whom these groups suspect of not sharing their ideas.

On occasion groups of this type violently attack the authorities in the presence of the low-enforcing agents themselves who have certainly not received instructions for acting firmly against such postures.

We also witness phenomenons such as that of Herrera prison where, seemingly, physical attacks on prisoners considered dangerous are being perpetrated.

Before this multicolored and desolating spectacle of our daily coexistence, each day we lose our sensitivity further and some view the situation as irrevocable, others begin to organize self-defense groups whose consequences are unforeseeable, while still others finally rub their hands because they believe that sufficient authoritarian momentum will stem from the chaos to disrupt the democratic process and for that purpose they fuel this escalation.

Violence: The Authorities Become Inhibited

I believe that I am in a position to assert, sharing the opinion of the majority, that the authorities are not sufficiently active or, to put it more directly, that the authorities are too frequently inhibited in the face of these situations which are not difficult to correct.

Without considering the origin of these forms of violence (which in some cases reside in the transformation of a rural society into an urban society, in other cases in the taking advantage of a legal situation still inadequate to meet the new conditions, and in others originate in a sectarian and tendentious education in the family circle), what leaves no doubt is that the authorities do not act with sufficient energy. And I call attention to the fact that this action must be directed in every way toward the strengthening of the democratic system. For that purpose it cannot be unilateral such as the analyses that we have seen in the congress by deputies from some sectors. It is as important to fight crime in the peripheral areas as it is to disband and punish the groups of fanatics who attack the authorities and institutions and to prevent with all the rigor of the law that prisoners should be mistreated.

I have left to the end the terrorist phenomenon in its more traumatic forms because the difficulty of eliminating it is sufficiently great and until now I have not heard valid alternative suggestions. But to consider that terrorism occurs only in the domain of the ETA [Basque Fatherland and Liberty Group] and GRAPO [First of October Armed Revolutionary Group] can lead to serious mistakes. Terrorism also means the death of a youth, beaten up with luxury devices, in the Retirement Park.

What happens generally is that there is a tendency to consider that the different struggle against terrorism--especially in some respects--does not have the same justification as the ineffectiveness in the struggle against violence in its other manifestations. In other words, lack of credibility, distrust, frequently stems from the proven fact that failing the elimination of what is easier it is not possible to believe in the elimination of what is undoubtedly more difficult.

If authority were exerted with moral force and rigor to avoid growing criminality, if the free movement of troublemakers for our people and cities were impeded, if in the face of attacks those responsible for law and order would act no matter who the perpetrators were, then we would start to inspire trust in the citizenry and the struggle against the terrorist phenomenon would achieve credibility despite the difficulties that we all understand.

The Courts Should Act More Rigorously

It is necessary to restore trust in the law-enforcing agencies themselves. If the arrests of common or not so common criminals are followed by almost immediate releases, frustration will continue to be deeper in the mind of the police. We have to call on the courts for more rigorous action in demanding that the laws be enforced and ask the civilian governors and others responsible for law and order to evidence firmer and more coherent behavior before identical situations of democratic destabilization, whatever their nature. At the same time it is necessary to avoid abuse and shortcomings in action.

At times, in matters of law and order and the drive against violence our armed forces, even our ministries, are too involved. We have not managed to understand even that the police functions, the duties connected with maintaining law and order, are substantially different from a professional, technical, and functional viewpoint from those specifically connected with national defense. It would seem that our governors may try to meet their responsibilities by involving individuals belonging to those institutions from which they fear criticism of their blunders most of all.

In short, it is evident that there is a gradation in the importance of the phenomenon of violence with terrorism representing its peak. But there is no doubt either that such gradation also occurs and in the same order when it comes to levels of difficulty in eradicating violence. Consequently, while the difficulty of the struggle against terrorism is understandable, the attitudes of inhibition or inefficiency in fighting the other forms of violence, attitudes which generate distrust regarding problems of major gravity, are not similarly understandable.

I wish to conclude by asserting that from my point of view all violence generates insecurity and therefore destabilizes the democratic process, that everything ranging from armed attack passing through levying of a revolutionary tax, the torture of prisoners, attacks against authorities, the free movement of armed bands in uniform up to the shooting in the back of military personnel or civilians must be treated with maximum rigor in the critical action of establishing democracy that we are experiencing without pushing the analysis, without undermining behaviors, because all are trying to secure the same goal as the one to which I have referred.

Economic Recessions, Unemployment, Industrial Relations

Let us take another example. Economic recession has a fundamental result, which is large-scale unemployment. I am certain that some lecturers will devote entire speeches to show the importance which the recession has for coexistence and social respect.

On my part and through the same prism that I mentioned earlier, I shall not tire of repeating that unemployment cannot be treated as a mere symptom of the recession and that the overcoming of the latter demands the creation of a solid system of industrial relations.

With the respect due to economic technicians we must acquire an awareness of the fact that the rate of unemployment growth not only creates insecurity but impedes coexistence and social respect plainly and fully. How can one ask over 1 million families burdened by this situation to graciously accept coexistence with those responsible for their troubles? How can one ask them to be socially respectful in a society which does not respect them?

Unemployment cannot be reduced to a slogan for heading economic programs whether they are of the government or a party. This is a problem of all that we shall have to overcome in the face of egoism and lack of solidarity, at least among the immense majority.

If the problem of inflation is not given top priority we would be able to broach the struggle against unemployment, creating precisely a psychosis contrary to that which has taken hold of our fellow-citizens today. If instead of losing hundred or thousands of jobs each day our society could succeed in starting to create employment, even though the problem would not be solved immediately we would have produced a climate of trust that is lacking today.

The government has the obligation to initiate that task. In the face of the shortage of private investment to generate new employment, the public authority can draw up a plan for building homes, public health facilities, and schools (the latter are being penalized in incomprehensible manner in the 1980 budget).

Autonomous Regions

I wish to terminate in order not to tire you any more with a few brief considerations about the formulation of the Statute of Autonomous Regions.

In February I expressed here my concern about this historical problem which could not be subjected either to obstructionist pressures or to demagogic tensions.

Neither those who try to hinder the forthcoming referendum through legal or unlawful gimmicks nor those who make an autonomist profession of faith or even a nationalist profession of faith while they praise governors who are destroying the national identity of peoples such as the Kurds can decisively influence the development of the autonomous regions.

From my viewpoint an autonomous process which must bring us to the border of a federalized state must avoid the spinoffs generated by centrifugal forces because their real meaning is the increase of solidarity among different peoples. For that purpose it is necessary to prevent discriminations which convert some zones of our territory into second- or third-class communities. However, the equality of treatment cannot and must not be understood as the mimetic application of some statutes with respect to others. For the equality to be real one has to concede the right to be different or, if you prefer, the differential fact which justifies autonomous development. For the treatment not to be unequal it is necessary to avoid discrimination.

We must be convinced that the autonomous-oriented process is based on the historic necessity to harmonize, in order to unite in solidarity, the various peoples who make up and enrich that reality called Spain.

At the collective level there is nothing closer to the title of this process than the autonomist problem.

Let me conclude. Coexistence, the "living together" in voluntary manner and on the basis of social respect, demands the sound functioning of institutions, a constant process of associative integration, a demand for respect for the standards established by everyone. In the last analysis, it calls for the functioning of democracy. It is lamentable and necessary to recognize that democracy only consolidates practice and that our practice is scanty and full of voluntary or involuntary deficiencies.

Niebuhr's words must strike us all forcefully and unremittingly when he wrote: "The inclination of all men to be good makes democracy possible. The inclination of all men to be bad makes democracy indispensable."

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LANDELINO LAVILLA ON FUNCTIONING OF CONGRESS, OTHER TOPICS

Madrid EL PAIS in Spanish 10 Nov 79 pp 10, 11

[Interview with Landelino Lavilla, president of the Congress of Deputies, by Bonifacio de la Cuadra; date and place not given]

[Text] The president of the Congress of Deputies, Landelino Lavilla, is determined to convert the Chamber into an active, effective parliamentary organ. As a UCD [Democratic Center Union] member, Lavilla stresses the party's non-dogmatic nature, and suggests that it would be feasible to reverse the situation, turning a party of the government into a government of the party. He accepts the replacement of Suarez as a possibility although, at present, he does not deem it necessary. At the end of the interview held with Bonifacio de la Cuadra, when he is reminded that he should perhaps hurry to a diplomatic reception attended by the president of the government, Landelino Lavilla does not seem impressed, notices that he is already a little late, and remains in his office, unmoved.

Landelino Lavilla, minister of justice in the post-Franco period, and a Christian Democratic politician who has been periodically mentioned as an "alternative" to or "dauphin" of Adolfo Suarez, holds a key position in the parliamentary system that was established in the Constitution of 1978. As president of the Congress of Deputies, according to the Constitution itself, he is responsible for presiding over the joint sessions of the two Chambers when the General Cortes must make decisions which affect the Crown.

The president of the Congress shows a moderate public profile, dating back to the final period of the dictatorship, during which, despite the fact that he held a political post (that of undersecretary of industry), he was typified by his critical attitude "from within." Founder of the "Tacito" group, he participated actively in the creation of the Democratic Center Union (UCD), affiliated with its Christian, right wing. His appointment as the party's general coordinator did not come about and, since July 1977, when he was named minister of justice in the first Suarez government, Landelino Lavilla has devoted his activity to an intense effort for legislative renewal, through the General Codification Committee in particular.

Just now, many of those old bills which were prepared under his direction are reaching the Congress of Deputies, with the amendments made by the new cabinets and the necessary adjustments to the constitutional text.

In his position as head of the Lower Chamber, to which Landelino Lavilla is earnestly dedicated, the Christian Democratic politician has asserted himself as a member of the center right, whose status as a government official precludes any hasty political ambitions on his part. He admits that Suarez is capable, both as a leader of the party and a leader of the democratic process that is under way. He has devoted all his endeavors to streamlining the work of the Chamber and achieving a functional Parliament. He met with a poor reception at first from the opposition, owing to his partial arbitration in the act of confirmation of Adolfo Suarez as president of the government, but later managed to achieve a smoother relationship with the parliamentary groups.

Cold, exacting and brainy, with a sound legal training and a slight capacity for wit, Landelino Lavilla is more suited for office work than for leading riotous parliamentary debates. Nevertheless, he has learned how to size up the semicircle, and has become increasingly deserving of the traditional plaudit for any president of the assembly: "He is beginning to go unnoticed."

[Question] Where would the president of the Congress of Deputies fit the criticism that is being made by various sectors of public opinion of the operation of the parliamentary institutions?

[Answer] I am a good fitter, and I consider critical judgment of any political activity normal. Furthermore, some of the criticism that I have read has helped me in my work. There are times when I disagree, especially when I observe a lack of preliminary evaluation of what a Parliament is, and of what it should be. At times, superficial aspects are magnified, such as when they took those photographs of the nearly empty semicircle, which would have been almost full had they been taken a few minutes earlier.... That is misleading criticism.

[Question] Yes, but I have been told by Manuel Fraga, and it has been published, that this Parliament is "the one which works the least among those in Europe."

[Answer] I don't believe it. Parliamentary work must be judged on the basis of all the activity that takes place in the Chamber. And I think that few members of Parliament have performed activity as intensive as ours, even though it may only be because we are in a phase of complete renewal of the legal system to modernize it and adjust it to the constitutional principles. In any event, I am in agreement that the parliamentary functioning can and should be improved, and made more active, speedier and less formal.

[Question] Are any innovations called for in the new regulations?

[Answer] The regulations are still in the preparatory phase. I think that we shall have to seriously deal with correcting the factors which are currently impeding the organization and performance of the work. For example, the existence of an excessive number of committees, as a result of the regulatory ruling that requires the establishment of as many as there are ministerial departments. We shall have to proceed toward a system of committees based on areas, rather than on departments. Bear in mind that the present 30 committees, with 36 members apiece, make a total of over 1,000 positions; and there are only 350 deputies. This makes it necessary to multiply and spread the activity of each deputy. A total of only eight or ten committees would afford a more orderly and effective work. Also, the work of the reporting entities, committees, and plenum must be arranged differently, so as to prevent the debates from being repetitious. Except in instances wherein it operates with full legislative authority, the committee should be more of a working organ and less of a debating one; an proposer of motions should act more as a reporter or arranger of amendments and positions than as a reviser of the legislative text. The revision, if it should be necessary, should be done by the committee; and the debate, the real parliamentary debate, at least insofar as issues of greater political scope and essence are concerned, should be left to the plenum.

[Question] But this would necessitate very long plenary sessions, which would perhaps encourage the tendency of many deputies toward absenteeism.

[Answer] No, because it would give rise to the application of more selective than cumulative criteria by the groups; and this would be supplemented by a procedure of far shorter and more direct questions and interpellations on more current issues. Thus, the plenum would gain in political interest. We need to achieve a liveliness in the parliamentary handling of questions, which will afford the deputy an opportunity to pose and the government to answer concrete questions, establishing positions with insight and conciseness, without the need for long speeches. As for absenteeism, I must remind you that we are currently holding long-lasting plenary sessions, with average attendance. Hence, it is understandable that this attendance should drop considerably when matters of limited and not always current interest are discussed. This occurs in all Parliaments.

[Question] The most important legislative task in the General Cortes is, unquestionably, the development of the Constitution. What is your opinion of the delay that has occurred in meeting the timetable set by the government itself?

[Answer] A timetable can be thought of as an inflexible commitment, with dates, or as a frame of reference for arranging and systematizing the work.

[Question] In this instance, dates were set, specific months....

[Answer] Yes, but the judgment does not have to be made date by date. In all programs there is some deviation from plan. I prefer to make complete

judgments, and over rather extensive periods of time. We have established a timetable in Congress too, and we have had breakdowns. But you may have noticed that, during the past few weeks, we have greatly intensified our work, and a quick recovery from the delays that have occurred may be anticipated. I believe that both the government and Parliament will fulfill the established timetable; and, insofar as Congress is concerned, we are already planning for the one for the period from February to June. In any case, I repeat that there are always variations in the stringent compliance with deadlines. After having been in government, one knows....

[Question] Having been in government, do you know that there are differences of opinion among the ministers who have delayed the legislative timetable?

[Answer] It is normal for differences of opinion to occur. The Council of Ministers is a deliberative body wherein differences have cropped up, and it is precisely from the consideration of non-identical views and opinions that agreement and decisions result. I do not believe that the tensions in a homogeneous government are so strong that they might impede the plans.

[Question] A year has elapsed since the preparation of a Constitution was concluded, one from which new democratic institutions have resulted. What is the status of the process of putting those institutions into operation?

[Answer] We are still in a legislative phase and, in many respects, a pre-legislative one. The Cortes resulting from the Constitution are operating and better than what sometimes results from the critical judgments which we mentioned previously. We have the law on the Constitutional Court, and the one on the General Council of the Judicial Branch is in progress (it was approved by Congress this week), as is the one on the People's Defender, due to a socialist proposal....

[Question] In your personal opinion, what qualities should the president of the Constitutional Court possess?

[Answer] Whether the Constitutional Court will be a factor for legal security and political stability depends to a large extent on its first composition. In my view, its members must have accumulated moral and technical authority. Bodies such as this one, or the General Council of the Judicial Branch cannot be formed in accordance with the mere game of political positions. As for the president of the Constitutional Court, he should be an individual with great legal qualifications and with a preeminent position as a teacher, with prestige and the respect of the society. Without mentioning any names, these features define the field of candidates sufficiently.

'We Must Start With the Principle of Penalizing Voluntary Abortion'

[Question] A moment ago, we were discussing the preparation of the Constitution. At a certain time, you stopped participating in the process with your original intensity. Was any item prepared in that second phase which you think could be improved, or which you consider too ambiguous?

[Answer] It is true that I participated more directly in the reporting phase. Later, the work on the Constitution came under another management. A text can always be improved, and this one actually contains many ambiguities. But we must remove the pejorative quality from that statement. The Constitution clearly sets the limits, although, within them (and herein lies the ambiguity), it accepts plurality of decisions and solutions. All of them will be constitutionally acceptable if they do not transcend the preestablished framework. We must expect great advantages from that criterion as followed in certain provisions of the Constitution, advantages which, as our constitutional history has shown, the dogmatic texts lack.

[Question] Article 27, regulating education, has been particularly accused of being ambiguous.

[Answer] I believe that Article 27 sets forth a group of constitutional principles which cannot be ignored nor violated, and which leave me, personally, sufficiently at ease.

[Question] At the present time, there are controversial issues with a great social impact being discussed in the streets, which sooner or later will invade Parliament. I am referring to abortion and divorce, for example. What is your personal position on the regulation of these realities?

[Answer] I am not an advocate of abrogating the penalty for abortion. The Penal Code bill that I had prepared in the Ministry of Justice proposed a new way of dealing with this crime. As part of an overall reduction in the penalties which marked the bill, extenuating and exculpatory circumstances were given consideration, in accordance with the normal penal standard, but at all times based on the principle of penalizing voluntary abortion. As for divorce, the bill that I also had prepared was based on a non-dogmatic approach, and accepted the dissolution of marriage under certain circumstances, but without losing sight of the fact that family stability is desirable as a political and social goal. Thus, divorce becomes a solution for the situation of irreversibly broken marriages. It should not be forgotten that, along with the divorce law, a law to protect the family had been planned.

[Question] In this instance, does the announcement that the government has given up this law to protect the family mean a loss of compensation in the family regulations as a whole which have been planned?

[Answer] I do not believe that such an abandonment has occurred, but rather perhaps a mere difference in the approach to the matter. Family protection can be achieved through a horizontal law which covers all areas. That was my original position. But it can also be achieved in the various pieces of legislation affecting the family. I have not examined the contraindications that might advise a change of view; although I think that perhaps the first notion, that of the universal law, specifies in a more direct and unvarnished manner the cost and the difficulties in financing a law with such features.

[Question] But as a Christian Democrat, do you not uphold the indissolubility of marriage which the Church proclaims?

[Answer] As a Catholic, I would be repelled by a law that would make divorce compulsory; if it only makes it possible, it would not repel me. I have a clearcut idea of my duties in conscience, and I do not think that a civil legislator in a pluralistic society need necessarily apply his own ethical requirements to legal rulings.

[Question] However, it would appear that another Catholic sector of UCD, the one affiliated with Opus Dei, has put up resistance to the regulation on divorce that has been planned.

[Answer] I have not observed any such thing. In any event, the UCD's electoral platform has established the position with which the party has appeared before the electorate.

[Question] Perhaps what needs to be determined from an ideological standpoint is the UCD. Is it possible that this lack of determination may disappear at the next congress, to the benefit of the Christian Democrats?

[Answer] I do not believe that there is an absence of ideological determination. What the UCD needs now is to debate and establish essential views on concrete issues, based on its ideology which has already been established. UCD is a non-dogmatic party. What is important is adapting attitudes to principles.

[Question] At a meeting of the UCD executive committee, you cited the need to achieve a "UCD style." How would you describe that "style"?

[Answer] That was not exactly so. A party with features such as ours has advantages, but disadvantages as well, some of which stem specifically from its having come into existence as a government party. Now we must bring about a reverse in the situation, and achieve the reality of a government of the party. The party, the government and the parliamentary group must operate in a synchronized fashion. The party must nurture the parliamentary group and the government with the criteria for dealing with problems. After 3 years in government, one realizes that the urgent issues often prevent discussions of important problems. It was in this sense that I mentioned a change of style, as a necessity for causing the reconversion of a party which came into being with the responsibility of exercising power and which did not have a period as a "candidate for power," wherein the integrating factors usually operate with more force and authenticity.

[Question] And how is UCD progressing with internal democracy?

[Answer] The recent provincial assemblies represented a step forward. The Jaen experiment, which I followed intensively, was very interesting. The UCD's structure has been renovated on all echelons, with freedom and democracy.

[Question] But does UCD have sufficient democratic strength to bring about a change in leadership normally?

[Answer] I think that it does. UCD has a good leader, a good president of the government, with more than sufficient qualifications. But I would not anticipate any problems in producing another one, if it were necessary.

'The Replacement of Suarez Has Not Been Proposed'

[Question] You have been mentioned as one of the possible alternatives to Suarez.

[Answer] A possibility is one thing, and proposing a replacement, which has not been done, is something else. All the rest is speculation, whether it pertains to me or to others.

[Question] Not even over the medium term?

[Answer] Certain hypotheses which are nonexistent at present would have to occur. Based upon them, a study would have to be made of the possibilities of a change, when the time came.

[Question] Is there not a conviction within the UCD that Adolfo Suarez might have been the proper person to direct the transition, but that, once we have reached the shore of democracy, another individual would be feasible?

[Answer] This matter has not been brought up. I still think that Adolfo is the right person to continue directing the process.

[Question] Let us return to Parliament. At the time of the demand for letters rogatory to arraign Telesforo Monzon and Francisco Letamendia, did not some kind of tension occur with the institution making the request?

[Answer] (Smiling) Not with the institution itself; there was no institutional tension. What Congress wanted was to be able to make a complete evaluation of the conduct of the deputies concerned.

[Question] Now that 25 October has passed, what are the pertinent steps now? Has the Supreme Court answered the petition for new information submitted to it by Congress?

[Answer] No, it has not answered yet. Once the reply has been received, the committee and the plenum will have to make a final decision.

[Question] What is your judgment of the controversy currently facing the deputy from the Chamber of which you are president, Juan Maria Bandres, with your party's government concerning a claim of alleged torture?

[Answer] This matter must be considered from a penal-juridical standpoint. Last year, torture was categorized as a specific crime, because it had been penalized in other more general types of crime. An attempt was made to intensify the defense of human rights. Of course, cases of false accusation are also categorized in the Penal Code. Hence it is a matter the clarification of which, and, if need be, the pertinent penalty, are incumbent on the courts.

[Question] Do you think that parliamentary channels can prove effective in resolving this controversy?

[Answer] The matter might be the subject of debate in Parliament. A debate would entail a confrontation between positions, which can always have a clarifying effect. Now then, because of its nature, and as I have stated previously, the concrete resolution of this issue must result from judicial action.

[Question] How do you judge the opposition, in your position as president of the Chamber?

[Answer] I think that something very important has happened. A high level of coexistence has been achieved, and there is a widespread desire for things to operate well and to be done carefully.

30 Laws in 7 Months

Of the 95 bills published by the General Cortes, 30 have become law, and two have been withdrawn by the government, according to information provided by the office of the president of the Congress of Deputies, which summarizes Parliament's activity from the opening of the present legislature in March until the beginning of November.

Also, according to reports from the government, the congressional plenum has held general debates on the European Communities, agrarian policy, the citizens' security and the medium and long term program for the economy. At the proposal of the parliamentary groups, another general debate took place on territorial imbalances. Individual debates were held by the committee and the plenum on sectorial issues, including the national energy plan, and one relating to health reform is being planned.

The legislative initiative of the parliamentary groups has taken shape in 59 published proposed laws, over half of which have been taken into consideration. Those converted into law include the one on the extraction and transplanting of organs.

Prominent in the remainder of parliamentary activity are the negotiation of 29 international treaties and conventions; the submission of 183 interpellations, motions, non-law proposals and proposed resolutions; the ratification of 18 decree-laws; and the formulation of 90 verbal inquiries by the deputies to the government.

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CSO: 3110

CARRILLO PROPOSES PCE APPLY PRESSURE TO ACHIEVE GOALS

Madrid YA in Spanish 11 Nov 79 p 12

[Text] Constant, permanent social pressure: this was the method proposed yesterday to the plenum of the PCE's [Spanish Communist Party] Central Committee by Santiago Carrillo to make the party's policy a success. The communist leader also emphasized the need for an understanding among the leftist forces, and stressed in particular the dangers involved in what he considers to be a "shift toward the right in Spanish policy."

The secretary general of the PCE began his speech by discussing the economic crisis. He then reiterated the need for eliminating the policy of military blocs, criticizing the United States for its recent decisions in this regard, which tend to intensify the arms race. And he cited as an example of this policy the U.S. decision to sell weapons to Morocco.

Moreover, he expressed opposition to the sending of Legion forces to Equatorial Guinea, describing this as a neocolonialist proposal "which we cannot approve." He said that the argument has been put forth that the Legion's presence in Guinea would serve to provide security for the Spanish head of state during the visit that he intends to make to that country. What should be done, if the visit is impossible without Spanish troops present, is to cancel it; because the king cannot visit nations in which his safety has to be guaranteed by Spanish forces.

Carrillo expressed approval for a clearcut timetable on autonomy, and also for the rapid assumption of authority by Catalonia and the Basque Country, particularly in the case of the latter, where there is an urgent need to create the security junta, to preclude excesses. He remarked subsequently: "Although there is talk again about the possible granting of amnesty, we communists will steadfastly refuse to discuss it so long as the terrorism continues. Democracy cannot be harmed nor immunity sought for the perpetrators of that harm as well."

After stating that the forces of reaction are making efforts to stall the autonomous process, he reiterated the need to set the timetable for autonomy according to the terms of the Constitution; and underscored the feasibility of having the members of Parliament from UCD [Democratic Center Union], PSOE [Spanish Socialist Workers Party] and PCE from each region reach an agreement on the matter. He added: "We want the autonomy to have the

same protection for each nationality or region and, where there is not a great consciousness of autonomy, the slower method in Article 143 of the Constitution to be used."

With regard to the internal operation of the PCE, he said that it had been geared to the new structure of the state. He noted: "But this does not mean that the PCE has become a federal party; rather, it will continue to retain its central structure, in which the regional parties will collaborate, and there will be a common policy."

Commenting on the activity of the various Spanish political forces, he said that the UCD's rightwing deviation has left the latter party more at the mercy of the forces of regression, adding that many of the crises that have arisen lately in the government party have caused upsets in the process of change, particularly among those who believed that the understanding among the three great national parties was a guarantee of security. He said that each step in the democratic process had been met with resistance from the regressive forces, forces which count for little from the standpoint of their vote, but which exert considerable pressure from established positions in the government.

In the opinion of the PCE's secretary general, when the consensus was broken, an upset occurred in the democratic process, which caused perplexity in certain sectors. The situation has become worse since the elections. And, because UCD held a monopoly on power in the government, the possibility of tripartite agreements in the city halls became remote. So, it was necessary to make agreements with PSOE, "agreements which we are bent upon maintaining, and without which the shift to the right would have been more marked."

He later mentioned the pressure from the right in the area of education, on the divorce and abortion issues and in the socioeconomic realm. On the subject of the latter, he said that the government and CEOE [Spanish Confederation of Business Organizations] had launched an offensive "to crush the workers' capacity for resistance;" an offensive which has been carried out by offering the UGT [General Union of Workers] a strengthening of its organization with the lure of a return of its holdings and a privileged position for negotiating with business owners, in an attempt to bring the socialist confederation into a confrontation with the Workers Commissions. He said: "UGT has allowed itself to be swayed; but it cannot be strengthened in this way."

With respect to PSOE, he remarked that there are considerable areas of ideological agreement with the PCE. In the area of municipal policy, the situation is good; and in that of autonomous policy, there has been great improvement. However, on the parliamentary level, there has been a move from convergence to an odd situation with PSOE-UCD agreements, as it has been termed. He added: "We are waiting for a clarification of positions by the socialists at the joint meeting that we shall hold tomorrow, Monday.

However, there are some disturbing signs. There is, for example, the PSOE-UCD agreement in the debate on the bill concerning the Council of the Judicial Branch, wherein, in a Kafka-like spectacle, socialist deputies alternated with the centrists to defeat amendments made by the PCE. Insofar as the socialist position in the debates on the workers statute is concerned, we shall have to wait until the end."

In Carrillo's opinion, the danger lies in the fact that the very forces which have forced UCD to the right might also affect the PSOE. If this tendency should continue, the danger of a disillusionment with democracy lies there. He stated emphatically: "We are not afraid of putting up with the opposition's policy, but we want to prevent what would be a shift to the right in Spanish policy. The gains made in the unity of the left must not be destroyed; and, in any event, they must be intensified. We hope that Felipe Gonzalez will keep his promise to create a genuine opposition policy."

The PCE's secretary general then discussed the issue of the workers statute. He claimed that UCD has imposed texts which fall short of the conquests made by the workers. He added: "And, on the basis of this method, the workers will find themselves hardly recognized in that statute. Hence, popular mobilization would be logical, mobilization which is a constitutional right and which need not lead to destabilizing situations."

Carrillo subsequently gave a retort to those in the party who advocate the communists' withdrawal from the commission which is studying the workers statute. He said: "The PCE cannot withdraw from parliamentary discussion because of the fact that it is in the minority. According to that criterion, we would have to withdraw from nearly everything, because we are a minority almost everywhere. We must be present, use the mass mobilization expedients and engage in an effort of explanation in work centers. Certain ostensibly radical movements could prove to be as dangerous as a class collaboration with the CEOE and the government."

Finally, Carrillo discussed the economic situation, "a matter too serious to be left in the hands of Alvaril Martorell alone." He proposed a four-party negotiating plan, and claimed that he was not inflexible toward any of the proposals made by business owners.

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CCOO ACCUSED OF FOMENTING POLITICAL STRIKES

Madrid YA in Spanish 11 Nov 79 p 12

[Article by Luis Apostua: "CCOO Want to Save the PCE"]

[Text] Layoffs are not easy, nor impossible, as conceived in the workers statute, through an extensive agreement on the part of UCD [Democratic Center Union] and PSOE [Spanish Socialist Workers Party] deputies, with opposition from the Communists who hasten to declare that they will try to change that legal feature starting in the factories; in other words, through a trade union action that will break the formal laws.

During recent months, we Spaniards have been witnessing the development of a unique conflict: the Workers Commissions [CCOO] systematic opposition to any socioeconomic plan that is not their own. Hence, it is necessary to analyze this phenomenon somewhat in detail.

If we were to start with a situation marked by direct aggression from the government and its party against the working class and the trade unions, we would meet with the no less direct opposition of the workers and the trade unions. But the facts tell us that large trade unions are not participating in that counteroffensive, something which clearly indicates to us that such aggression on the working class does not exist. We must seek the cause elsewhere, not in the government's labor or economic program.

The place where, in my personal opinion, we must seek the cause of that stubborn opposition from Workers Commissions is the realm of politics alone. Recently, the Communist Party has had a premonition that it was heading (on its own) toward a new "ghetto," that of democratic legality, which is no less detrimental to it than that of the clandestine status of Franco times. Under these circumstances, beset by fear of becoming isolated, it has forced its own hand so as not to be excluded; and the first and most powerful of those hands is trade union agitation. Seldom has the very close relationship between the political leadership and the trade union tactics in Communist activity as a whole been more visible than it is at present. In fact, the PCE is not decisive either electorally or in Parliament if the UCD and Socialists join together; and therefore, it is resorting to labor agitation (the perpetual appeal for "mobilization") to accrue strictly political gains.

While these things are relatively easy to explain and analyze, they are also dreadfully complicated to resolve in fact. The PCE's socioeconomic plan is extremely difficult to place in the context of a free, bourgeois society; because the Communists do not want to improve or reorganize that society, but rather to change it from top to bottom. Not many people go along with them in this proposal.

Now then, since the PCE always thinks in very long terms, I have the feeling that it is now attempting to strengthen its image as an opposition party, so that the attrition that it has always suffered in the government will affect not only the UCD-government, but also the PSOE, as soon as the latter party assumes important responsibilities, even though they may only be in the legislative area. Thus, once the UCD and the Socialists have failed to counter the economic crisis, the Communists would appear to be the new saviors of the nation in flames. It is something like a modern version of "the policy of what is worst."

But that policy, the one of alienation and the "ghetto," has some serious problems or a high price. This weekend has been devoted by Spanish Communists to a self-analysis of their strategy. The Spanish Communists cannot continue with the "Italian line," which is detrimental to everyone. They must invent their own Spanish strategy.

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CSO: 3110

GONZALEZ, PSOE SEEN BECOMING MORE MODERATE

Madrid YA in Spanish 10 Nov 79 p 13

[Article by Abel Hernandez: "Felipe's 'Evasion'"]

[Text] The Socialist Party has at times been reaffirming its autonomy with respect to operating in the leftist orbit. This independent attitude is upsetting the Communist Party, while the UCD [Democratic Center Union] is observing the game with interest, most likely collaborating insofar as it is able in this "evasion" by Felipe Gonzalez, who appears to want to remain equidistant from Suarez and Carrillo, in a kind of new political center for "a change in the change." In fact, the PSOE [Spanish Socialist Workers Party] is assuming a certain Social Democratic appearance, regardless of how much its leaders are denying it so as not to scandalize the party's radical clientele.

Let us proceed in steps. Let us recount the story of one day: Thursday, 8 November. Let us simply put the events in order. No comments are even required. At 1030 hours in the morning, Felipe Gonzalez visits Moncloa, at his own request, and converses with President Suarez until 1300 hours. All witnesses claim that there were no differences during this lengthy conversation, which dealt with the financing of the local entities and the autonomies, among other issues. At the same time, in the plenary session of the Congress of Deputies, both Socialists and Centrists are voting together on the terms of the important organic law of the General Council of the Judicial Branch; while the Communist, Sole Barbera, does not cease to call for amendments from the platform which are systematically rejected by the overwhelming Socialist-Centrist majority.

Somewhat the same thing is taking place in the Workers Commission. The Socialists themselves assume responsibility for repudiating the Communists' "labor-oriented" amendments. Camacho holds a press conference at which he severely criticizes the workers statute as it stands, as well as the position of the UGT [General Union of Workers] and the Socialist Party. The response does not take long in coming. Nicolas Redondo calls another press conference at which he accuses the attacks on the statute of being "demagogic and extremist." In view of what has happened in the plenary session

and what is going on in the Workers Commission, that great observer, J. A. Gonzalez Muniz, in his moderate, judicious "notations" in TA, wrote yesterday: "This indicates that there has been some breakdown between the two parties, giving the impression of a new Socialist orientation and the fact that there are separated brothers." This does not seem like an exaggeration to me. At the noon luncheon for the Moroccan minister, Bucetta, in Puerta de Hierro, several Socialists were present (Carvajal, Tierno, Yanez), and there were no Communists. Six or seven government ministers ate the "couscous" and fish with dates.

But there is even more. Surely the most significant event of the day took place in Barcelona, from dusk until midnight. The Nationalist, Pujol, and the Socialist, Reventos, with their respective collaborators, were confined in neutral granite premises until they concluded a Swabian-type municipal pact and, most likely, an agreement on the immediate political future of autonomous Catalonia. In the local elections in April, both political forces had established the "pact of progress" with Antoni Gutierrez' Communist Party. On Thursday night, the Catalonian Communists were not even present as statues for this new pact. The rebuff is quite evident. Are the Communists and Centrists going to be excluded from the first autonomous Catalonian government? Or only the Communists? It is too soon to make predictions, but it appears clear that, since the last special congress, the PSOE has been seriously reconsidering its policy on alliances. However, an outright break is not foreseeable; but rather a slow process of moving away from its comrades on the left, in search of greater autonomy, independence and operativeness.

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CSO: 3110

DEFENSE MINISTER CALLS FOR GREATER SPENDING ON MILITARY

Madrid YA in Spanish 1 Nov 79 p 15

[Text] According to statements made by the defense minister, Agustin Rodriguez Sahagun, at the opening of the civilian-military seminar organized by the Captaincy General of the Canaries and the Rectorship of La Laguna University, a suitable national defense policy should be marked by a global outlook, flexibility, a general attitude toward types of aggression, coordination, unity of leadership and fitting decentralization.

The minister said that national defense is "a matter for everyone, demanding a high degree of organization, coordination and management," and that, in order to win, an army must not only be well led, well armed and well trained, "but also well inspired."

In his explanation of the preparation of the new defense plan, he remarked that the government, aided by the National Defense Junta, is the one to determine the defense policy, in which not only the national defense goals, but also the distribution of responsibilities among the military and non-military forces, are stipulated. The Junta of Chiefs of Staff, for its part, develops military policy related to devising and directing the joint strategic plan, a plan which includes the strategic goals to be attained, a military assessment of potential dangers, the proposal of a joint strategy and the necessary structure or necessary joint objective required. According to Mr Rodriguez Sahagun, this program of requirements for the 1980's is being prepared at present, and the new law will have to be made subsequently to meet these needs starting in 1983.

The head of the defense department also discussed the high-level logistical plan currently being devised, which will determine the appropriate manner of apportioning, from the standpoint of time and place, the resources of all types that have been stipulated as necessary objectives in the joint strategic plan.

Greater Budgetary Effort

The minister declared that we are the sixth-ranking country in Europe in population, fifth in gross national product, ninth in defense budget and

19th in defense spending per inhabitant per year. In his opinion, a greater budgetary effort will have to be made in the future, after a preliminary process to acquire an awareness of the defense requirements, and after striving to the utmost to reduce all the expenses within the ministry itself that are not essential.

With regard to our geostrategic situation, which he considers privileged, he stressed the need to strengthen the Balearic-Straight-Canary axis in order to have sufficient deterrent capacity to preclude any attack which might threaten our sovereignty. This involves strengthening the Canaries militarily, and "a series of studies are now in progress which could be implemented whenever the budgetary appropriations so permit."

In conclusion, he emphasized the need for a people's commitment to national defense, and his confidence that the reform process will achieve a better integration in the action of the three branches of the armed forces, and a proper coordination of all efforts made in the defense tasks. He concluded by underscoring the urgent need to create a genuine national desire for defense, based on perfect synchronization among the members of the armed forces and the society to which they belong, maintaining the collective aspirations among all classes.

2909

CSO: 3110

DEFENSE MINISTER PLANS CREATION OF 'INTELLIGENCE COMMUNITY'

Madrid EL PAIS in Spanish 7 Nov 79 p 12

[Text] Yesterday, the defense minister, Agustin Rodriguez Sahagun, again attended the meeting of the Congressional Defense Committee held to complete the session begun on 30 October. The minister expressed approval for the creation of a national intelligence community which would coordinate all the intelligence services, claiming that he favored the fostering of relations with the Western world, even though the NATO affiliation has not been decided on.

The informational session was lacking in interest, because on 30 October Mr Rodriguez Sahagun made available the complete text of his remarks, which were interrupted, but which were published in their entirety by a large portion of the press the following day.

Insofar as the intelligence services are concerned, the minister stated that a major reorganization is being made for the purpose of having available an active, timely, constant, coordinated and properly evaluated intelligence.

He announced that he intends to submit a bill to the government for the creation of such a national intelligence community, even though this community transcends the exact scope of his ministry and should be assigned to higher levels.

As for the defense requirements, he said that the tax burden of this sector is very small compared with that in other countries similar to ours, and that it will have to be increased, after eliminating all possible spending within the ministry itself.

With regard to the defense budget, he cited the excessive percentage of personnel expenses in comparison with those for materiel, not because of the amount of pay, but rather the number of personnel. The current ratio is 60 to 40 in favor of personnel, and the minister announced that he wanted to balance the ratio by 1983-84. He also indicated that an effort is being made to make the command cadres younger, and that this effort is being accelerated.

In connection with the organic law on regulation of defense bases, Rodriguez Sahagun gave assurance that it would be the springboard for the development of the organization through new laws which are already being prepared. He announced that the law on military organization is being devised, and mentioned other bills to be sent immediately to the Cortes, including that on military service, which will afford an opportunity for women to participate in the armed forces.

2909

CSO. 3110

CALVO SOTEO INTERVIEWED, DISCUSSES ACCESSION TO EEC

Madrid ACTUALIDAD ECONOMICA in Spanish 20-26 Oct 79 pp. 16, 17, 19, 21, 23, 24

[Interview with Leopoldo Calvo Sotelo by Pilar Cambra and Evelyne Cieslak;
date and place not given]

[Excerpts] It is not a question of "either the community or the flood." It would seem as if in macro-economics Spain has experienced and is experiencing its entire share of chaos. Thus, Leopoldo Calvo Sotelo, "our man in the communities," as Graham Greene would say, is taking things calmly, as if our inevitable incorporation into Europe were a pleasant choice rather than an ominous fate. It is more or less as if we were gleefully clutching the last straw.

Before the Gate

[Question] It is as if after a long wait one felt irrepressible fear on the eve of the event... Spanish businessmen are having their doubts... We have waited so long; so many things have changed; Spain and Europe itself have changed so much that perhaps the terms on which the great epic of integration was set forth are no longer the same. The question, therefore, is the following: Is it really so decisive whether we enter the Common Market or not? Do we still have time to withdraw?

[Answer] If there is one thing that I should know about in this world, it is business. I will soon be completing my fourth year in politics, but I have spent 25 in business, and therefore I think that I am familiar with the concerns of the business world. It is worried basically about the crisis. Membership in the communities is not a primary concern; it is a potential problem along with the many, widely known difficulties that it is currently experiencing. But I recall that during the 1960's investment decisions, which are the important ones in a business, were always made on the assumption that there would be no tariffs in a relatively short period of time. This viewpoint began to gain currency after Spain began talks with the communities in 1962 and in particular, after the 1971 preferential agreement.

Therefore, businessmen have been counting on the community for some time now in making their decisions. Integration is now here, perhaps at an inopportune time because there is a crisis, but of course there have been major delays with respect to the forecasts of the 1960's.

[Question] The fact is that no one could have predicted that the final negotiations would coincide with a period of crisis. This is perhaps what frightens businessmen the most.

[Answer] The problem is one of timing, of course. Businessmen, who already have a lot of problems, feel that integration into Europe could be another one. I can understand that. It seems to me to be a reasonable reaction; it would probably be mine. But I must say that there are times in history when things can be done and other times when things cannot be done. The second expansion of the community is now underway. The first expansion brought in England, Ireland and Denmark, and Norway could have entered as well. The second expansion is our opportunity, and opportunities cannot always be created when they are most appropriate. There is a second reason. If we negotiate properly, membership in the communities ought not to be a problem added to the many that now exist, but rather a framework within which our current problems can be better resolved.

No new, artificial, or superimposed difficulty will be added to existing ones. In other words, membership in the European Communities will not require of the Spanish economy anything very different from what we Spaniards ought to be doing independently to put our economy on a sound footing. We do not have to do things that are contrary to what we would normally have to do in order to curb inflation, to achieve a different framework for industrial relations, to spark investment again and to enhance productivity and trade networks. All of this is advantageous to the Spanish community, and it is what we have to do in order to enter the European Community. Membership will be an incentive to do what we have to do and to do it more effectively. It will also be a guarantee that we are going to do it because the signing of the agreements (including the safeguard clauses, since no one is obliged to do what will systematically harm him) will force us to proceed along a course that is, moreover, advantageous for businessmen. This course is to place the Spanish economy on a sound footing within the framework of the European Community. This is the framework within which business has developed best, in which a wealthy, progressive and imaginative economy has been growing. There are very few places on our planet where this is happening.

[Question] The remedies that entry into the Common Market is going to impose on Spain....

[Answer] are the ones that are best for the country.

[Question] The remedies that would have to be imposed in any case.

[Answer] And we are going to apply these remedies with the incentive of integration and also with the guarantee of membership. True, there are major political reasons for entering the community, but the reasoning is the same: the community is a grouping of nations with systems and institutions that are the ones that we want for Spain. Membership is a guarantee of stability for our institutions. In the same way, incorporating into a market economy area ought to bring security to the businessmen who have always been calling for it. To remain outside is to remain at the mercy of ups and downs. This is something that businessmen ought to appreciate, because they have always feared interventionism and restraints in administrative decision-making. A free market economy is one of the pillars of the community.

The Scholars and the Founders

The Spain that will be joining the communities, as the minister says, is quite different from the one that knocked on the doors of the European citadel. We have become a democracy, with a parliament and a constitution. Spain is crawling with mayors who have been elected by the loyal and sovereign people. We are regionalizing and, moreover, achieving home rule. And the country continues to knock. We would also have to agree that Europe is not the same either. The pioneer's thrill of pleasure and adventure no longer runs down its spine. Europe is now fully mature, and the thrill of the community undertaking becomes a mild tremor whenever the oil barons speak. The crisis has also penetrated the large European community like a bad virus.

[Question] Is this the Europe that Jean Monnet imagined?

[Answer] More than 20 years have passed. Like every human undertaking, the community is getting old, or to put it in less pejorative terms, it is getting on in years. The initial hopes have faded somewhat because real problems have appeared. What was a project, a hope, a dream in the 1950's is today a reality, a reality that has brought major successes and accomplishments, along with failures and unresolved difficulties. This is a stage of reality at which people can see they have made sufficient headway on some points, but little or none on others. On the other hand, as the community has steadily acquired real power, Europeans have begun to feel like subjects of the community institutions, and a subject's normal reaction is to criticize his government. The more criticism there is of institutions, the greater is the awareness of European citizenship. It would also be interesting to investigate why it has become elegant and stylish in community circles to criticize the community. People are saying that it is an ancient institution at age 20, that it is a bureaucracy of Eurocrats. They are asking questions about the dreams of the "founding fathers," Schumann, Adenauer, De Gasperi... They are saying that this is not what they wanted. I think that we have to accept that there is a lot of truth to this criticism but that the evolution of institutions leads to a situation in which a critical spirit prevails over a spirit of mystique.

[Question] ...Which was, in fact, the spirit of the founders.

[Answer] Yes. I was telling some Christian Democrats that there are always the founding fathers and then the scholastics. It is much more pleasant to read the founding fathers than the scholastics, but that is how things developed.

[Question] Will this evolution lend increasing power to the recently elected European Parliament?

[Answer] For the moment, even though it was directly elected by the citizenry, its jurisdictions are the same as before, because the treaties are the same. But you need only visit the seat of the Parliament in Strasbourg to see that the climate has changed. You can smell the politics from far away in the corridors; there is even scheming going on. The vices and virtues of national parliaments have already made their appearance in the assembly, and this means that the European Parliament is a living parliament. This will probably be a stimulus towards European political unity, because despite the criticism, the creative dream is still alive.

The Blessed Crises

[Question] Turning back is impossible...regardless of how much the problems outweigh the advantages.

[Answer] Very difficult, if not impossible. It would be almost impossible to dismantle the community unless a widespread political crisis swept everything away, and then the least important thing would be the dismantling of the community. But whereas a state does not have to justify its existence on a daily basis, the community does have to earn its prestige every day; It has to earn its right to exist by succeeding.

[Question] And it is not always successful. We can even talk about the traumas that were caused when the community was expanded to nine members. Is there going to be a fresh upheaval when Greece, Portugal and Spain enter?

[Answer] The word "trauma" is too harsh. The initial expansion caused problems, most of which were resolved, not all of them, of course, because England still has one problem pending, fishing. But the first expansion posed, above all, a challenge to which the community responded. The second expansion is another challenge to which I hope it also will respond. Monnet used to say that Europe was forged by dint of crisis. He had enormous confidence in this interplay of challenge and response. He was probably right; the new European monetary system, for example, could not have been born without the crisis.

[Question] Perhaps it is even irrelevant to ask whether Spain has an option other than membership.

[Answer] There are always options, but we are seriously engaged in membership negotiations. Moreover, in my opinion, we would not secure additional advantages in the negotiations by working out another option... It would be naive to believe that.

Panaceas

Now that Spain's requirements have been listened to by the aloof European dame, the old magic is again at work, as in the times when the cry "We will be part of Europe" was like the utopian Eldorado placed before the languishing Spanish society. Then, for a time, we were no longer worried about being European or not, because "being Spanish" left our minds up in the air and our hearts in our throats. Now that our own house has been swept clear and the dusty cobwebs eliminated, Eldorado rides once again.

We once again feel that we will go to bed as Africans and get up as Europeans and that, placed in the Spanish test tube, the reagent of membership will precipitate to the bottom enormous everyday advantages, as the hams fell to the ground in the land of Jauja.

[Question] Does membership have some short-term advantages?

[Answer] Membership is a slow task in which the short run matters little. Both the negotiations and the transition period will be slow...the new situations will be making their appearance slowly. We will be incorporating into a privileged area on the planet, and this will bring about an enhancement of our political and economic systems.

But there will be no magical effects. In contrast to England's case, we are negotiating in the midst of a crisis, with all of the prudence that the crisis requires. I think that our membership could coincide with an emergence from the crisis. If this is the case, advantages will be attributed to membership that, in fact, stem from a change in the economic picture.

[Question] Which would represent an enormous asset...

[Answer] Yes, because it would consolidate our European inclination. But for the moment, we are negotiating under the pressures of the crisis.

[Question] What will Spain's special contribution to Europe be?

[Answer] Simplifying our terms a great deal, I would say that much of Spain's agriculture has comparative advantages, as well as its manufacturing industry, the industry in which the capital-output ratio is not very high.

Now then, here we are seated at the table: Spain over here, Europe over there and many miles of negotiations ahead. Mr Calvo Sotelo looks every bit like a good long-distance diplomatic runner. He even has that spark of European mystique that his peers and colleagues across the table will surely appreciate.

[Question] What are the key points in our negotiation?

[Answer] The key lies in the transition periods. We should remember this because Spain is complying with a treaty that is already written. We know the obligations and the rights that stem from the Treaty of Rome. Thus, the important thing is the transition, and in fact, at the third bargaining session, on 18 September, diverging positions emerged with regard to the transition period for industry. This is a problem that will always be present during the negotiations.

[Question] On what points is Spain prepared to make greater concessions?

[Answer] Oh no! ...If we were to come out and say it, the negotiations would fail.

[Question] On what issues, then, is there complete agreement?

[Answer] On many. The range of community issues is very broad, and there is agreement in most fields. That is why nothing is mentioned, and people get the impression that disagreement prevails. In any case, we must now speak of points of agreement, because the pact will not be firmed up until the end. The major disagreement, as I said, is the transition period.

[Question] Are we now getting to the core of the negotiations?

[Answer] Yes. Their substance was outlined in January. The organization of the talks was taken care of at the 15 June meeting, and we even drew up a list of the topics to be covered. In September, we took up one of the basic issues, the tariff union. We are down to the core of the matter.

CAMPSA [Leasing Company of the Petroleum Monopoly, Inc.] and the Tobacco Monopoly

[Question] Moving on to specific issues, what solution are Spain's negotiators going to propose for accomodating government monopolies like CAMPSA and the Tobacco Monopoly?

[Answer] The solution indicated by the treaties. Article 37 of the Treaty of Rome says that monopolies cannot be an exception to the community's standards of competition. Article 90, however, makes an exception for government monopolies, and thus the Spanish state monopolies will have to adjust to the community monopolies in terms of their commercial activities, while retaining their ultimate functions. As has been the case in France and Italy, this will enable them to retain their identity and the essential elements of their structures.

[Question] Could Mr Suarez' upcoming visits to Europe influence the negotiations? Could they be a means of applying pressure?

[Answer] The government president is going to visit France, but not to apply pressure. The negotiations are of interest to the entire government and, therefore, to its president who will be involved but not pressuring...
...I should add that the negotiations are taking place in Brussels, not in the capital cities of the member countries. This is standard community procedure. It is to be expected, however, that the president will speak of membership during his visits.

[Question] Perhaps this is a Manichean question, but who will be the winner and who will be the loser at the negotiations?

[Answer] There is a very amusing area in modern mathematics called game theory. In the so-called "zero sum game" what one person wins is exactly the same as what the other loses. In the "positive sum game" both people can win, because the outcome could be positive for both after their winnings and losings are added up. A negotiation like this one, if the two parties conduct it properly, is a positive sum game: both Europe and Spain will achieve good results. So it makes no sense to speak of winners and losers.

[Question] So Spain is not "selling itself" to Europe...

[Answer] Not at all. In the statement that opened the negotiations, I said that the unanimity of Spain's political parties in connection with membership in no way meant a desire to enter the Common Market at all costs.

And What About the Autonomies?

[Question] Are the Spanish regional autonomies compatible with the prevailing European concept of a region?

[Answer] There is no contradiction between the regional states that are being set up in Spain and our full-fledged membership in the communities. The constitution has provided for this integration process in Article 93. Under the constitution, jurisdictions that are now the government's can be transferred to supra-national bodies, and the implementation in Spain of decisions made by those supra-national bodies will be the task of the government or the Parliament. There will be no conflicts of jurisdiction. Moreover, we need only recall that a former regional state, like Italy, and a federal state, Germany, coexist within the community. These structures have not posed major problems for either the community or its member states. In addition, we must realize that the process of jurisdiction transfer is two-pronged. On the one hand, jurisdictions are transferred from Madrid to the regions, and on the other, from Madrid to Brussels. These are two parallel, healthy processes that are compatible with the unity of Spain and the sovereignty of the Spanish state, which is doing the negotiating and which is responsible for implementing the decisions that are made outside.

[Question] But won't the community's much-criticized regional policy accentuate Spanish regional differences?

[Answer] The regional imbalance is, in fact, one of the serious problems of our times, and an adequate solution has not been found to it. But neither is it accurate to assert that the community's regional policy has contributed to widening the income gap between various regions of Europe. In 1975, the Regional Development Fund was given 300 million accounting units. There is now a proposal to boost this to 1.2 billion (some 100 billion pesetas). This might not be too much, but you cannot say that because of it the gap between Düsseldorf and Calabria has widened. We do not know what the gaps might have been had the community not existed. Community policy in this area might be stingy and insufficient, but the fund is trying to overcome the differences. I think that, thanks to the recently elected Parliament, there is going to be increasing concern for these issues. The fact is that the communities are backward in their regional, industrial, social and energy policies.

Farm Problems

[Question] And perhaps in farm policy as well. Aren't the problems going to increase with the entry of Greece, Portugal and Spain?

[Answer] Their entry is going to require adjustments. Some are already being made, as in the case of wine. More attention must also be paid to Mediterranean agriculture. In fact, there is concern that the farm bill, which is already large and takes up three fourths of the total budget, could increase. Mediterranean goods are supported less than Nordic goods. There is something called the EAGGF [European Agricultural Guidance and Guarantee Fund]; it now spends much less money on "guidance" than on "guarantees," and at a time when everyone thinks that it ought to be the reverse, because guidance has an impact on structures, whereas guarantees refer only to prices. The immediate problems are being resolved, but the shortcomings are not being corrected, and this will have to gradually change. The entry of the Mediterranean countries will mean that greater attention will have to be paid to structures.

[Question] It seems that Europe has also forgotten, or has shunted aside, social issues.

[Answer] I think that the European Parliament will also concern itself with them. It is not that these issues have been abandoned, merely that the member countries have not transferred jurisdictions to Brussels. Social problems have been gradually resolved through bilateral agreements between nations. The issue of emigrants, for example, is one of them.

Partners at Last!

We are almost at the end, the end of a hypothetical road. Let us assume that the clarion bugles are already sounding, that the triumphal arcs have

already been erected and that the doors of the communities have closed behind Spain, with Spain inside. We have come to Eldorado and drunk from the fountain of eternal community youth. Fatigued and all, Spain could, let us dream right up until the very end, assume a new leading role.

[Question] What role would Spain play in future relations between Latin America and the European Economic Community?

[Answer] We ought not to speak of "a bridge" or of "a main role." The countries of Latin America do not need for Spain to play a leading role. But one thing is quite clear, and we are now realizing it: Spain has the edge over the community countries in general in entering Latin American markets, and this edge will be an asset to the community. Spain's presence in the communities could mean that the Latin American countries will find a partner with whom they get along very well.

Some years ago, when Europe was something about which we could only dream, a Spanish newsman wrote the following caption for a photograph showing a Spanish minister drinking a glass of champagne with community leaders: "Let's drink to Europe, Mr Minister!" It was a good caption and a fine hope. It seems that we are still making toasts, but this time, to the bottom of the glass. It is as if Leopoldo Calvo Sotelo were feeling the euphoric effects of the successive annual toasts. Who would have thought it...

8743
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ARTICLE SPECULATES ON POSSIBLE GOVERNMENT CHANGES

Madrid ACTUALIDAD ECONOMICA in Spanish 3-9 Nov 79 pp 14-15

[Article by A.L.: "The Unceasing Crisis"]

[Text] It was something like a truce. Before 25 October 1979 there was nothing. As to what followed, we shall discuss it. The whole political life depended on the countersigning of the Basque and Catalan [autonomy] statutes with the reasonable suspicion that the ETA [Basque Fatherland and Liberty Group] would carry its terrorist offensive to the limit on the eve of the [home rule] referendum. Nevertheless, the escalation was frustrated with the discovery of the tunnel dug in order to assassinate families of military personnel in Barcelona. Now we have already reached the "after 25 October" period and the truce is over. It is again possible to speak of tensions in the governing team, of the lack of decision in carrying out the government's economic program and even its emergency program.

The counselor of the [Catalonian] "Generalitat" [General Council] summed up his impression of the referendum by asserting that "the result is correct and meets the anticipated reaction of our people. The adjective used by Manuel Ortiz does not indicate precisely a climate of euphoria but limits itself to a determination of the legitimacy of the referendum's result. The nationalist leaders were somewhat less secretive and noted their disappointment at the high percentage of abstentions. "It is necessary that they be considered," the editorial of LA VANGUARDIA said, rejecting the facile explanation of rain, "in order to get a picture of an action discounting those with the confirmed indifferent or fearful attitudes which some of the Spanish-speaking Catalans would certainly have shared. That is the abstention that we have to analyze. The other, that representing errors of census, the sick, transients, senior citizens, the apolitical individuals, the underprivileged, the ignorant, or the weary lacks political significance. The active element is what must be of concern as of now given that as far as can be determined it has not been a matter of concern previously perhaps because the analysis of abstentions from voting calls for an effort of the imagination...."

What Will Happen in Castille-La Mancha

That half of the Catalan and Basque population did not vote "yes" in approval of their respective statutes--admittedly with every reservation because to sum up abstentions, negative votes, blank and void ballots "is to add apples and pears," as Rodolfo Martin Villa noted on previous electoral dawns--is not something that is reassuring for Spain's autonomous-oriented process. In the Basque case and as a consequence of the attitude of the Herri Batasuna [United People Party], abstention was a genuine political option that does not seem to have given ground to non-"abertzales" [patriotic] nationalist postures. In this respect the undersecretary of the interior, Julio Camunas, was overly optimistic when he said that the lesser activity of the ETA was not merely the result of police actions but also and especially of the fact that it had lost the political battle. The provocation represented by the assassination of an activist of the PSOE [Spanish Socialist Workers Party]--the final answer to the irresponsible amnesty petition by Tierno--suggests that many battles remain to be waged in Basque territory.

Anyone may wonder what will become of the Castillan-La Manchan statute, whether in the two historic regions with major awareness of their peculiarities the results have been simply correct or sufficient. There would then be nothing special in the government's trying to paralyze or at least slow down the negotiating process of the autonomies as far as what counts is concerned with the excellent excuse that it is necessary to work at the economic agreements and the [legal] changes for Basques and Catalans in such a way that the final results may motivate the inhabitants of the prospective autonomous entities.

Excessively "Burned Out"

The lack of success in the two initial referendums has not allowed the Suarez government to make any kind of triumphant interpretation or to capitalize on the fact in order to go and squeeze out another season. Because of that the extreme nervousness at the higher levels of the Cabinet and the party has returned and everyone is asking whether the constantly latent ministerial crisis will be a matter of days or weeks because months are like years here.

There are more than enough reasons for a possible revamping of the government, that is, there are too many burned out ministers, beginning with the Deputy Prime Ministers. In the case of Gen Gutierrez Mellado--who has not lost the confidence of Prime Minister Adolfo Suarez with whom he continues playing cards, his reiterated intentions to resign could materialize, including on the fringe of a broader crisis, with his appointment as Spanish ambassador to the United States (see ACTUALIDAD ECONOMICA, No 1127). More difficult is the case of Fernando Abril, the key man for Suarez in his control of the sources of power who, if he relinquishes his economic responsibilities to someone more technically qualified, could move to head the Ministry of

Defense where he would have an abundance of opportunities to put his political talents to the test. One need not mention that the fate of the economic team will in some respect depend on that of Abril.

The environment also includes the peculiar situation of the liberal Garrigues and Fontan wing which seemed to be pushed aside in the negotiation for the [autonomy] statutes despite the fact that the final result came to confirm their political theses. However, Jaoquin Garrigues Walker has not confined himself to publishing articles as if he had already quit and to telling the Prime Minister that he wishes to hold his post but rather aspires to become Minister of Foreign Affairs in the very short term. Another fallen individual who has not renounced the idea of advancement--in this case in the form of the political deputy prime ministership which position be also coveted in the latest crisis--is Rodolfo Martin Villa who has worked very seriously to place dozens of his men in the provincial committees of the UCD [Democratic Center Union] and has made his brilliant reappearance at the last two meetings of the party's executive committee.

Homemade Relief

The feeling of insecurity of a sufficient number of those installed in office has increased with the knowledge that the Moncloa palace [Prime Minister's office] had requested a list of some 50 senior officials in the public sector, a list to which should be added many names of those whom, with his customary sympathy, the Prime Minister has promised on occasion to appoint as ministers. Among the latter Alberto Oliart seems to be well placed but one should not forget the likes of Cisneros, Gamir, De la Cierva, De la Mata, Meilan, and Alzaga among others.

Offsetting the theme of short-term relief and with the possibilities of revamping by the UCD is the opinion that nothing would change and that the new ministers would delay getting burned out for as long as their predecessors. Additionally, it is argued that the law of administrative reform is being drawn up, very laboriously and in the midst of serious tensions among officials, and that it would be prudent to postpone the changes until the law is promulgated. However, it is well known that this type of administrative difficulty is not an unresolvable obstacle for Suarez who formed his present Cabinet with officials holding double-barreled responsibilities such as Minister of Foreign Affairs-Minister of Relations with the European Community Affairs (plus an office of secretary of state), Deputy Prime Minister for Economic Affairs-Minister of the Economy, Deputy Prime Minister for Defense Affairs-Minister of Defense, Minister of Education-Minister of Universities, Minister of Interior-Minister of Territorial Administration, Minister of the Office of Prime Minister-Assistant to the Prime Minister, and so on.

To Relinquish Power or Lose It

The other possibility which is tossed around these days is the formation of a government with some ministers who do not originate with the UCD. It is not a matter--even though this is not rejected--of the regionalist thesis, namely, the inclusion of some Basque or Catalan nationalist, as for example Ramon Trias Fargas, with all the parliamentary repercussions which this would involve but rather of the convenience of getting assistance from a team of individuals who in the first instance should be able to secure a clear application of the FEG [expansion unknown] in order to subsequently reactivate the economy. According to some sources close to the head of the government, Suarez is not inclined to relinquish power and therefore he will continue using the spares offered by his own party. In financial and business circles it is thought in contrast that the UCD will end up relinquishing all power in the coming elections if in 2 or 3 years it fails to check the economic stagnation and to create indispensable trust among investors. Among bankers who are not used to being independent on anyone and who know so much of stand-by credits, there could emerge the person charged with doing more than placing the blame for our misfortunes on the international recession and the previous regime. And together with such names as Jose Angel Sanchez Asiain and Alfonso Escamez are also mentioned those of Antonio Guarrigues, Carlos Perez de Bricio, and Santiago Foncillas. Suarez fears this alternative because there would undoubtedly be somebody who would interpret it as an imposition of unnatural powers, but in the last analysis this could turn out to be necessary for him.

2662

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BUSINESSMEN REACT TO GOVERNMENT'S ECONOMIC PLAN

Madrid ABC in Spanish 6 Oct 79 p 27

[Text] It is necessary to act quickly so that negotiations with the Common Market or multi-national enterprises will not make the industrial crisis irreversible.

Yesterday, under the auspices of the "Asociacion para el Progreso de la Direccion" [Association for the Progress of Management--APD], four well-known businessmen analyzed some aspects of the "Programa Economico del Gobierno" [Government Economic Program--PEG and of the most important tool for its implementation: the bill on General Budgets of the State for 1980. The general attitude expressed in the various speeches was one of "yes, but." In other words, it is still the same attitude which prevailed immediately following the publication of the PEG. Let us take a look at a brief summary of the ideas expressed at the APD meeting:

- Jose Luis Ceron (president of the Economic Commission of the CEOE [Spanish Confederation of Business Organizations])--"The PEG is the only possible, feasible program. The good intentions contained in the program should be given concrete form." Mr Ceron reviewed the faults of the public sector and advocated a market economy, which undoubtedly took courage. The 1980 budget shows a deficit of 290 billion pesetas and financing it will make resources more expensive for the private sector. He termed the provisions for reducing expenses "good," those for increasing public investment "average," and those dealing with social security "poor" because although they do not raise contributions, they raise the bases on which contributions are paid. Competition from the public sector becomes even more unfair when it grants fiscal tax reductions in order to place public debt issue.

- Claudio Boada (president of the Bank of Madrid and of the Catalan Development Bank)--It seems obvious that unless the government, the trade unions and businessmen reach a modicum of agreement, it will be difficult for the PEG, which in his opinion is a good program, to achieve positive results. It is necessary to make good the stated intention to allow greater freedom in the setting of prices of industrial products. Price controls which are imposed relentlessly year after year weaken private enterprise to such an extent that they favor the trend toward a system of socialized economy. He shares the view of businessmen that the cost of credit should be lowered, but this will only be accomplished through a continuation of the "praiseworthy efforts currently being made by the Bank of Spain" to adjust the payment and terms of deposit liabilities.

- Juan Miro Chavarria (consultation-general director of the Rio Tinto Explosives Union and vice president of the CEOE)--He sees a lack in the PEG of an industrial policy which has a machinery of its own and is not just something tacked on to a program, since what is done now in this respect will affect the future welfare of almost all the Spanish people. It is necessary to make investments in order to replace obsolete equipment, to create a supply of more attractive related products than those currently available, and to increase the output of the remaining equipment; in other words, to increase the value added, paying special attention to depreciation and profits. It is necessary to make a great deal of money without appearing dishonest in the eyes of the community. It is also necessary to have easy access to the money market and credit should be cheaper so that finance charges can be drastically reduced, without overlooking the flexibility and recognized authority to retrain surplus manpower or manpower which is producing low returns.

It is by all means necessary to act with great speed so that external factors, such as the negotiations with the Common Market or the operations of multinational companies will make irreversible the depression and lack of motivation prevalent in many sectors and subsectors of Spanish industry. [sentence as published]

- Rafael Termes (president of the Spanish Association of Private Banking)--"The PEG seems to have been properly thought out along the lines of a market economy policy. It was the plan to be expected given the framework of the Constitution and the ruling party. However, the success of the plan does not depend on the statements it contains, but rather on whether the government is truly responsive to the basic principles of the plan. The plan is fine if it is carried out. The prime minister would have done very well to throw the entire weight of his vast political power behind the progress and to assume before the Cortes and the entire country the responsibility for carrying the program through to a successful conclusion. By

not doing so he has given rise to some skepticism among the country's businessmen as to the effectiveness of a program which is intrinsically good.

Despite this, by simple applying the program's ideology instead of undermining it with concessions of a political nature, the leaders of the economy can generate the conditions necessary so that savers and businessmen, trusting in the future, will decide to invest and create jobs."

9494

CSO: 3110

SPAIN'S BAZAN PUSHES NAVAL CRAFT SALE TO LATIN AMERICA

Madrid ACTUALIDAD ECONOMICA in Spanish 3-9 Nov 79 p 55

[Article by J.A.: "Naval Construction--Bazan Pushes Exports"]

[Text] After many aborted tries the military naval industry is beginning to reap its initial successes on international markets. The helicopter-carrier "PA 11" and the "Descubierta" class corvettes are the key units.

The activity witnessed last year by the commercial department of the Bazan National Enterprise and the start of production of the helicopter-carrier "PA 11"--a craft of United States design in which the Spanish fleet has made important changes--as in the case of the corvettes in the "Descubierta" class, a project in which foreign technology accounts only for some 20 percent--have managed to reactivate the operations of the Bazan firm, reduced following the drop in orders for merchant vessels.

The reactivation has again occurred through the export of these two prototypes. Right away, following the launching of the first helicopter-carrier slated for the Spanish navy anticipated for the end of 1981, Bazan plans to lay the hull of another twin model ordered by the Australian navy. In order to definitively consecrate the deal a visit by the chief admiral of the general staff of the Australian armed forces is expected. Argentina, India, and Thailand have also expressed interest in this craft.

But while the interest aroused by this model has been unusual, the corvettes in the "Descubierta" class do not lag behind. At this time the Bazan National Enterprise is building in Cartagena and Ferrol the sixth unit out of a total of eight ordered by the Spanish navy. Venezuela, for example, has already started negotiations with Bazan for the acquisition of four "Descubierta" class craft. The Moroccan government's interest in this type of craft is limited to one unit but it is already a firm order. The outcome of restricted bidding is also awaited for the adjudication of four units to the Thai navy. Brazil, Peru, and Mexico are interested in the model. This interest is leading to the circumnavigation of South America which the corvettes "Descubierta" and "Diana" will shortly undertake.

The commercial operations of the Bazan firm are dedicated at this time to testing possibilities in Indonesia, the Philippines, and Malaysia. In the meantime, in its file Bazan has pending orders to build five coastguard cutters of 63 meters' length destined for Argentina, a transaction which King Juan Carlos I arranged personally on his recent visit to that country. To the coastguard cutters one must add four heavy patrol boats of the "Lazaga" class built under [West] German license, three heavy "Barcelo" class patrol boats (two of them already delivered to Mauritania), plus seven additional coastguard cutters whose sale is now being negotiated with Argentina.

But not everything is easy. According to the commercial director of the war craft department, Juan Blanco Traba, "the problems of financing which we are experiencing now prevent us from signing even more agreements. Competition in this field is very rough and matters such as the latter render our efforts very difficult." The countries with which the business is done--nearly all of them underdeveloped or developing--are not overly blessed with funds and "the terms that we can offer are clearly inferior to those made available by other countries."

2662

CSO: 3110

GOVERNMENT TO FINANCE BILBAO PORT FACILITY

Barcelona LA VANGUARDIA in Spanish 5 Oct 79 p 37

[Article by Gabriel Careaga Artiach]

[Text] Bilbao, 4 Oct--Following a long period of uncertainty as to who would finance the work on the Bilbao superport and when the work would begin, both questions were answered recently following a series of talks with the Central Administration.

The chief executive of the autonomous port has just confirmed that the cost of repairing Punta Lucero--6.985 billion [pesetas]--will be borne entirely by the state (until a very short time ago it was estimated that the state would pay for 75 percent of the work). He also confirmed that the port's administrative council has agreed to put the job out for public bidding in open, competitive bidding in which all contractors with enough experience in projects of this scope can participate.

The project will take 5 years to complete at an annual investment of 1.2 billion pesetas.

The chief executive of the port stated that this month the breakwater will be reinforced on an emergency basis to avoid possible damages in case of a storm. Six hundred concrete blocks weighing 85 tons each will be placed at the site which suffered most damage during the 1976 storms.

The call for bids will be published in the "Boletin Oficial del Estado" along with the decree stating that the state will undertake to finance in its entirety the work of repairing the breakwater.

The chief executive of the port said: "The project will have been awarded before Christmas and work will begin between mid-January and February."

New Finance Ministry Delegate

Immediately after taking office, Aduero Fernandez Lopez, the new Finance Ministry delegate to the province of Vizcaya, had the following comments to make concerning his appointment: "My specific job will be to coordinate the Finance Ministry delegations in the four provinces of Vizcaya, Guipuzcoa, Alava and Navarra, although each of these provinces will still have its respective delegates. This is part of an administrative reorganization which has no political overtones whatsoever and which will not involve any changes in the process toward greater autonomy. This reform has taken place in accordance with a decree issued last February providing for the reorganization of Finance Ministry delegations and establishing regional administrative centers, as for example in Vizcaya."

Basque political and administrative circles have attributed special importance to the fact that this Finance Ministry reorganization links Navarra with the other three Basque provinces, despite the fact that Mr Fernandez Lopez has insisted that the reorganization is of a purely technical and administrative nature, perhaps because the four provinces have or will have different fiscal systems from the rest of the country.

9494
CSO: 3110

CADIZ GAS TO BE ON LINE IN 1982

Madrid ABC in Spanish 6 Oct 79 p 27

[Text] Enrique Sanchez de Leon, the president of CAMPSA [Leasing Company of the Petroleum Monopoly, Inc.], has said that the Gulf of Cadiz gas represents a reserve of 6 million tons of petroleum. The president of CAMPSA, accompanied by the director general of that company, visited the "Dalkeith" rig, which is doing the drilling.

The field where the deposit is located has eight wells, of which six are producing wells, especially the "E-5" well, which produces 750,000 cubic meters of gas daily. This gas will be on line at the end of 1982.

Mr Sanchez de Leon noted that the level of gasoline consumption had dropped after the last rise in prices and that for now no gas rationing measures were foreseen.

The president of CAMPSA concluded by saying that Spain's entry into the Common Market would signal the end of the CAMPSA monopoly, but not of the enterprise, which will operate on the national and international market like any other enterprise.

9494

CSO: 3110

DEMIREL ADDRESSES NATIONAL ISSUES

Istanbul TERCUMAN in Turkish 6 Nov 79 p 12

[Text] Ankara (Mediterranean News Agency) -- JP [Justice Party] General Chairman Suleyman Demirel, charged with forming a government, has described the nation's situation as "extraordinary circumstances," has announced one by one the legal and administrative measures which must be taken to prevent anarchy, has explained in this context his views on Turkey's economic problems and their status and has said, "The time has come for the state to take command of the nation."

Yesterday, at the third in the series of press conferences he has been holding, Demirel spoke of the need for passage of the State Security Courts bill to ensure the safety of life and property and called for an increase in gubernatorial powers in this context. "An 'extraordinary circumstances law' must be passed in addition to the measures concerning extraordinary circumstances provided under Article 123 of the Constitution," he said.

The JP general chairman said that the democratic authority of the state must be strengthened and listed as follows the legislative measures which must be taken to achieve this purpose:

1. An "extraordinary circumstances law" must be passed in addition to the measures concerning extraordinary circumstances provided under Article 123 of the Constitution. This law will enable the administration to take extraordinary measures against serious threats to the public order and against dangers which would irreparably damage the safety of life and property.
2. The bill for the establishment of State Security Courts provided under Article 136 of the Constitution must be passed and implemented immediately.
3. The civil and penal codes must be amended. The swift execution of justice befitting the needs and conditions of the time must be ensured in this way, envisaging in particular the concept of collective crime and liability.

4. All loopholes in the Unions and Associations Law must be closed. Allowances for laying the groundwork for devisiveness and for concealing or providing material and moral support of crimes of this type must be eliminated in this way.
5. The Provincial Administration Law must be amended to conform to the conditions of the time, and the powers of the governors must be clarified.
6. Changes must be made in the Associations Law. Social and cultural associations must be prevented from taking roles in political activities, such as political parties, and members must not be allowed to give material support or donations to other associations except associations working in the public interest.
7. The Assembly and Demonstrations Law must be revised. The right to assemble and demonstrate must not be allowed to infringe on the public order or bring daily life to a standstill.
8. The necessary changes must be made in the Security Organization Law to allow strengthening of the police force as to training, discipline and morale.
9. The Police Duties and Authorities Law must be modified to conform to the needs and conditions of the day with regard to organized and armed aggression.

Cooperation of Intelligence Units

In addition to these legal measures which he listed for strengthening the democratic authority of the state, Demirel spoke of the need to take certain measures to ensure the functioning of the state and said the following:

"It is necessary in this context to ensure the use of administrative judicial authority and the authorities given the executive by law and by all means to ensure the functioning within the principles laid down in Article 114 of the Constitution. Intelligence organs, including military intelligence, must be equipped with the quickest and most modern communications resources to ensure tighter and easier liaison among them. Reorganisation, personnel, equipment and cooperation problems must be resolved quickly for the purpose of reducing arms and ammunition smuggling to a minimum. The swift execution of justice must be ensured and protection from threat and attack while on, and even off, duty must be provided to those whose duty is the recognition, pursuit, identification and arrest of criminals and to their families. The actions of those who commit crimes against these persons because of the capacity they hold or the job they perform should be held subject to more severe penalties. The families of those killed in the line of these duties should be looked after for life by the state."

Extraordinary Circumstances

Demirel mentioned at the beginning of his statement that the nation has many important problems, therefore described the country's situation as "extraordinary circumstances" and said that foremost among these problems were ensuring the safety of life and property, establishing the superiority of law and order, ensuring peace and tranquillity and providing the citizen the right to live without fear. Remarking that the state exists for the purpose of providing these things, Demirel said that the Turkish citizen is not complaining about the power of the state and said, "The safety of life and property will absolutely be ensured. The superiority of law and order will be established absolutely and without fail. The citizen will absolutely be enabled to live without fear, without having to fight for his life. It is absurd to think that this cannot be ensured if the state is the state and the government is the government. The government steers the state. It is the duty of governments to allow the state to operate as the state. Governments have behind them the houses of parliament and the nation. The governments are the ones who get their strength from these sources. Considering the gravity of the facts accomplished in Turkey, we cannot agree that we are helpless. We will seek the remedy, standing firm against those who destroy the tranquillity of the nation. No one can excuse for any reason those who destroy the tranquillity of the nation. Neither lack of economic development nor social problems can be counted as an excuse for anarchy, terrorism, creating discord and divisionism. If those who commit these acts are considered innocent and the state which stands up to them is considered guilty, they will accelerate, not reduce, their lawlessness. This is the way it has been. Now it can be endured no longer. The time has now come for the state to take command of the nation, brooking no hesitation. I call on everyone for unity and oneness in this regard. All possibilities will be used to the ultimate in the best and most effective manner in the fight against anarchy. The members of the state intelligence organization and the Turkish Police Force must be able to work with no room for doubt about their enforcing the laws and performing their duties within harmony and within loyalty to the regime and the state in order to ensure the public safety. This will absolutely be ensured. Every member of the state security forces must be protected. The police force of the Republic holds no brief with ideological indoctrination and internal division. This must definitely be prevented. The Republic police force must be equipped with every resource. All martial law, constitutional and legal authorities must be used, and interference to water down martial law must be eliminated. Peace in the schools must be ensured. Peace in the workplaces must be ensured. State radio and television must not be an instrument of provocation. If we cannot assert the democratic authority of the state, many forces which would substitute themselves for the state will fill the resulting vacuum. No one should be unconcerned about the democratic authority of the state. If the state is without authority, chaos reigns."

Demirel said that education, which is a fundamental element of the state, must have a patriotic quality. "Teachers must uphold the republican principles and philosophy, guard our national unity and culture, and avoid indoctrinating our children entrusted to them according to their personal views. The teacher who cannot perform his duty within the framework of these principles must be relieved of his duty," he said.

The JP general chairman then touched on economic matters and said that the shortages were one of the problems confronting Turkey which make life miserable for the nation. Demirel explained that Turkey's food and soap industry needs 425,000 tons of oil per year and that domestic production is around 335,000 tons, requiring annual imports of 90,000 tons of vegetable and cooking oils, and said that only 50,000 tons of oil had been imported by August 1979. Stating that oil was not distributed according to commercial procedures and that the state had reached the point of virtually encouraging stockpiling, Demirel pointed out that the municipalities, along with the cooperatives and subsidies, had deprived the public of oil. "We believe that it is possible to resolve the oil problem in short order. We believe that we can stop the hoarding of oil and free the citizen of his search for oil," he said.

Nation Standing in Line for Liquid Fuel

Touching on the fuel problem and pointing out that consumption of liquid fuel by the end of September 1979 was 10.582 million tons while it should have been 13.482 million tons, Demirel said, "This is not fuel conservation, it is just making the nation stand in line. Liquid fuel is the backbone of our agricultural production. Only 5 percent is used in automobiles. Every month, Turkey is confronted with a \$250 million oil bill. Somehow or other, this bill will be paid, the fuel that the nation needs will be obtained. Turkey has lost \$500 million because the nation's refineries are not operating at full capacity and the spot purchase method is being used."

Remarking on the drug shortage in Turkey, Demirel pointed out that Turkey has a drug industry and said that it has to import \$100 million-worth of drugs and drug raw materials each year. "Governments exist not to excuse what cannot be found, but to try to find it," he said. Demirel also noted that Turkey has not been given the fertilizer it needs and explained that despite having a rubber industry sufficient to meet the need, a rubber black market had been created because of the lack of production. He said that there were shortages and black markets in plastic goods also. He continued:

"Iron-steel products are on the black market, with a great deal of action in sheet iron. Sheet iron which costs 28 liras per kilo sells on the black market for up to 100 liras. And construction steel which costs 25 liras per kilo sells on the black market for up to 50 liras.

Energy-Producing Facilities Not Touched

"Production and distribution of coal for use in heating show that the nation must prepare for a cold winter. While it was possible to provide 482,000 tons of mineral coal and 6.2 million tons of lignite in 1977, only 5.5 million tons of lignite was able to be provided from private sector and state sources in 1978. In 1979, we are able to produce 25 billion kilowatt hours of electricity. Facilities are under construction to bring Turkey's electricity production to 100 billion kilowatt hours. It is with concern that I say that during the past 22 months, not one of these facilities was brought into production. Construction of the 4 turbines of the Keban Dam and the Elbistan Power Plant was delayed. These delays have left Turkey without electricity.

Minimum Foreign Exchange Bill

"Turkey has a balance of payments problem. Turkey cannot close this gap by cutting its needs, because Turkey has a 'minimum foreign exchange' bill. This bill is \$1.5 billion to \$2 billion short each year over and above the amounts obtained from our own resources. When Turkey closes this gap, it will be a developed nation. Turkey will reach this point. The balance of payments deficit is not a symptom of illness or culpability. Neither is it without design. It is no surprise. It has design."

The 400 billion-lira budget has even now risen to 600 billion Turkish liras. The Central Bank has raised the 1977 issue volume of 77.8 billion liras to 175 billion liras in November 1979. Public financing by means of deficit financing is an easy way of running the country. The result is inflation, and oppression of the poor and needy."

Questions - Answers

Demirel answered reporters' questions at the conclusion of the press conference and in reply to a question about the foreign exchange policy that a government formed by the JP would pursue, said, "That is up to the government. Leave it to the government's discretion."

One reporter asked whether the 10 [sic] items which JP General Chairman Demirel had mentioned in the course of the press conference as projected amendments to certain laws had been laid down as conditions to the political party leaders. He replied:

"No, we have no conditions. The two political parties which have already agreed to support us have announced that they will support us without condition or proviso. The most important problem of this government is anarchy. It is no longer a case of your seeing it one way and my seeing it another."

A reporter asked in this context: "You have emphasized Turkey's distress. Yet Mr Ecevit said in his statement to parliament that it has won the economic war. What is your comment?" The JP general chairman replied:

"Has the economic war been won? If he says we have won the economic war, then he died on the battlefield. He says himself, 'Even our supporters were unhappy with our administration. We resigned because the nation rejected us.' Did the nation, then, fail to understand the value of what it had won? I do not want to get into this kind of polemics. But this statement has no correlation with the truth."

8349

CSO: 4907

"CUMHURIYET" SPECULATES ON DEMIREL'S ECONOMIC PLANS

Istanbul CUMHURIYET in Turkish 6 Nov 79 p 11

[Article by Fusun Ozbilgen]

[Text] JP [Justice Party] Chairman Suleyman Demirel, even as he tries to form a minority government with outside support, is reportedly counting on an election economy which would last at most a year and a half to ensure his success in the economic area. Demirel is working on a plan to take advantage of certain things made possible by the Ecevit government to keep the economy on its feet for a year and a half and to reduce the shortages within this time.

Little Problems

What Demirel wants to do first of all with his minority government is eliminate the shortages that have sprung from small problems. For example, set aside \$10 million for the importation of coffee to put an end to the coffee shortage. Demirel says, "The citizen has reached the point where he does not even have a cup of coffee," and stresses the need to allocate foreign exchange immediately for coffee.

Also stating that \$40 million to \$50 million are needed for cooking oil and gas and that he would not permit shortages of items requiring such insignificant totals in an import volume of \$6 billion, Demirel says that if he forms a government, the citizen will not suffer these hardships. On the other hand, the Ecevit government is said to have imported enough cooking oil to meet the needs before the elections but was unable to distribute it because it tried to change the system. And this is why the black market could not be prevented although there was enough cooking oil in Turkey at that time to meet the needs.

Liquid Fuel

As for the liquid fuel problem, which is considered the most important of Turkey's shortages and is known to have no quick solution, it has been learned that Demirel is relying on an agreement yet to be concluded with

Saudi Arabia. The Ecevit government was able to reach agreement with Saudi Arabia for the purchase of crude oil only after lengthy efforts. This agreement, which amounts to 5 million tons, was to have been signed in Saudi Arabia on 22 November by Deputy Prime Minister Hikmet Cetin. However, this agreement was put on hold without being signed when the government resigned.

If Demirel concludes this 5 million-ton agreement, he will be able to meet Turkey's crude oil needs with the addition of oil procured through the agreements concluded with Iraq, Libya, the USSR and Iran by the Ecevit government. The ATAS [American-Turkish Corporation Refinery] refinery has created a problem as to the refining of this crude oil which the Ecevit government was unable to resolve because of its lack of harmony. Demirel intends to resolve the problem by accepting the demands of the foreign oil companies and, by doing so, will be able to lighten, if not fully resolve, the liquid fuel problem.

Foreign Exchange Problem

To resolve the foreign exchange problem, Demirel is depending primarily on the Eurodollar market. Frequently repeating that millions of dollars are in circulation on the money markets in Europe, Demirel figures that Turkey's debts can be postponed and that new loans can be obtained from this market at any time that new credit begins to flow. Intending in this context to expand the acceptable limits for importation on credit and to make use of the credits procured by the Ecevit government within the OECD framework and U.S. economic aid, Demirel thinks that he will be able to overcome the foreign exchange squeeze for a brief period also.

The JP General Chairman figures that under these circumstances he can make it to early or normal elections by thus ensuring a temporary breathing spell within a 1.5-year election economy.

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POLICE CADETS APPREHENDED FOR LISTENING TO KURDISH TAPES

Istanbul HERGUN in Turkish 4 Nov 79 pp 1, 7

[Text] Ankara (News Center) -- In addition to the Police Institute cadets who were involved in cooperation with illegal cells in bank robberies and bombings, three more cadets have been apprehended while listening to Kurdish tapes at the institute.

The Police Institute cadets were in the bathroom listening to tapes of "Requiem for Turkish Peoples' Liberation Army Leaders Sinan Cemgil and Ulas Bardakci" and "Folk Songs" about the Kurdish uprising of 1938 known as the "Dersim Rebellion." Security Director General Haydar Arkin, who gave information on the incident, said that these cadets had been turned over to the Martial Law Command and that the four cadets whose names were involved in various incidents had been dismissed from the academy.

Cadets listening to illicit Kurdish tapes at the Police Institute following the discovery of involvement of police cadets from the same academy in the Yutunciftlik robbery and the robbery of a bank branch in Aydin has sent shock waves through the security establishment.

Z. Dogan Sozbir, Mehmet Polat and Yasar Karalar were among the cadets listening to the illicit Kurdish tapes, it was learned.

Declining to give further information on the status of the cadets, Institute authorities said only that "the necessary action would be taken." It was learned that their file was sent to the Security Office following the preliminary questioning at the Institute. The three students allegedly involved in the incident, meanwhile, were turned over to martial law.

An extensive search was reportedly conducted at the academy following the "Kurdish tapes" incident and cadets' civilian clothing was confiscated.

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CSO: 4907

LIFTING OF CERTAIN STATE SUBSIDIES EXPECTED

Istanbul GUNAYDIN in Turkish 6 Nov 79 p 4

[Text] New increases amounting to 75 billion liras are said to be waiting for JP [Justice Party] General Chairman Demirel, who is trying to form a government and has been holding daily press conferences to make known the formulas he has prepared for the solution of economic problems.

Obliged to Sign

Officials pointed out that if JP General Chairman Demirel, who said in his first press conference that he would stick by the agreement which the Ecevit government signed with the IMF became prime minister, he would have to underwrite a 75 billion-lira increase package in order not to break faith with the IMF and that the IMF had made the second tranche credit contingent upon lifting state support of certain products. "State subsidies have reached 30 billion liras in fertilizer, 18 billion in oil, 6 billion in sugar, 11 billion in electricity and 10 billion in coal. This is a total of 75 billion liras. The IMF has made the lifting of state subsidies in these products a condition for the second tranche credit. Otherwise, the IMF will turn off the green light," they said.

Actually, despite the wide-scale increases which the Ecevit government made, the liquid fuel stability fund is suffering a deficit of 1.5 billion liras per month. The state subsidizes today's oil prices in this amount. The annual deficit at today's prices is 18 billion liras. In this context, the state subsidy of sugar reportedly amounts to 6 liras on the kilo since the increase in the base price of sugar beets, and it is said that sugar support accounts for a treasury subsidy of 6 billion liras per year. The largest subsidy, though, is of fertilizer, where the annual difference figures in excess of 30 billion liras. Accounts show the electricity and coal subsidy to be 21 billion liras. The IMF wants an end to the entire 75 billion-lira state support program. Officials say, "Demirel will either sign these increases or risk a break with the IMF, by continuing the state subsidy and not making the increases."

NATION'S ABILITY TO MEET OIL NEEDS SAID DECLINING

Istanbul CUMHURIYET in Turkish 6 Nov 79 p 11

[Article by Uluc Gurkan]

[Text] Turkey's ability to meet its oil needs is gradually declining. Taking into account refinery capacity and domestic production of approximately 3 million tons, 1.3 million tons of crude oil must be purchased within the year. In this case, it seems inevitable that \$2.2 billion at current prices will have to be spent in foreign exchange for the purchase of crude oil and \$762.8 million for the purchase abroad of finished products. It is difficult for Turkey to pay an oil bill of this size.

Consequently, Turkey's unpayable oil bill is being shrunk by limiting purchases abroad. On the other hand, the bill is being blown up "artificially" by giving priority to the importation of products instead of crude oil. According to the latest available data, two-thirds of the requirement was able to be met in the first 9 months of the year by purchasing \$1.1 billion-worth of crude oil and products abroad. Two-thirds of the requirement could be met with \$1.1 billion in imports because old prices were used in this year's purchases abroad.

For January - September 1979, \$575 million of oil purchases abroad went for crude oil and \$550 million for petroleum products. Including imports, stocks and domestic production, 8.3 million tons of crude oil were processed at the refineries in 9 months. Thus, 66 percent of the 12.5 million-ton crude oil processing program was realized, with the deficit attempting to be made up through "spot" purchases of petroleum products.

The \$550 million in spot product purchases bought 1.15 million tons of fuel oil, 800,000 tons of diesel fuel and 275,000 tons of LPG gas. Yet, if crude oil commitments had been met and if the \$550 million spent on product purchases had been spent on crude oil, Turkey could have bought 4.7 million tons of crude oil, which would have kept its refineries operating at full capacity. From this amount of crude oil, 1.9 million tons of fuel oil, 940,000 tons of diesel fuel and 150,000 tons of LPG gas could have been produced.

Moreover, 700,000 tons of gasoline, 150,000 tons of naphtha, 100,000 tons of asphalt, 190,000 tons of kerosene and small amounts of other petroleum products could have been obtained also. Failing to take this route and turning to product imports has aggravated the oil shortage, and caused Turkey a loss of around \$200 million besides.

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CSO: 4907

BRIEFS

FOREIGN TRADE DEFICIT--Turkey's foreign trade deficit is nearly \$2 billion. Total exportation of Turkey in 1979 until the end of September was \$1,655,508,000, the Trade Ministry announced today. Total importation of Turkey during this period amounted to \$3,631,815,000. The foreign trade deficit is \$1,976,307,000. [Text] [Ankara ANATOLIA in English 1440 GMT 20 Nov 79 TA]

BULGARIA TRADE--Tea exportation to Bulgaria in exchange for energy will start late this year, authorities announced. Agreements concerning exchange of tea and energy have been reached between Bulgarian authorities and the Turkish Ministries of Customs and Monopolies. At the beginning of the coming year, while Turkey starts sending tea to Bulgaria, the Turkish electric power enterprise will start receiving electric energy from Bulgaria. [Text] [Ankara ANATOLIA in English 1500 GMT 16 Nov 79 TA]

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